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ABSTRACT

An analysis of economic problems of the American Indian population in South Dakota is given in the document. The purpose of the study was (1) to characterize and describe Indian poverty and (2) to measure the impact of this poverty, in economic terms, on the economy of the state and to analyze some of the programs in operation to ease the Indians' economic distress. Current (1969) statistical information is presented on Indian population and manpower, employment, land use and ownership, income, health, and the number and type of Federal programs dealing with Indians in South Dakota. Chapters are devoted to background, characteristics of Indian poverty, reservation marketing systems in North Dakota and South Dakota, costs of poverty, evaluation of current programs, and summary and conclusions for the study. Each chapter gives conclusions independently; however, the overall conclusion was that, for example, due to lack of job opportunities, inadequate education, and poor health, the conditions of poverty for the Indian are deepened. It is noted that there is a need for rethinking the entire approach toward current programs so that they will contribute to a solution rather than to the problem of poverty. (AN)

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INDIAN POVERTY IN

SOUTH DAKOTA

CALVIN A. KENT, Ph.D.

Assoc. Prof. of Economics

and

JERRY W. JOHNSON, M.B.A.

Asst. Prof. of Economics



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FOREWORD

Indian Poverty in South Dakota provides a thought-provoking analysis of the economic problems of an important segment of the population in South Dakota. These problems are of concern to the Federal, State and local levels of government, as well as to all other groups and individuals interested in the orderly development of the State's economy.

According to Professors Kent and Johnson, "Of the American poor there is no group more destitute than the American Indian. Yet his poverty has virtually been overlooked." The purposes of this report include: (1) to characterize and describe Indian poverty, (2) to measure the impact of this poverty, in economic terms, on the economy of the State, and (3) to analyze some of the programs in operation to ease the Indian's economic distress.

The monograph also provides a wealth of current statistical information. Areas covered include Indian population and manpower, employment, land use and ownership, income, health, and the number and type of government programs dealing with the Indian population in South Dakota.

V.E. MONTGOMERY, Director
Business Research Bureau
University of South Dakota

School of Business
University of South Dakota
Vermillion, South Dakota
Spring, 1969

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INDIAN POVERTY IN SOUTH DAKOTA

CHAPTER I

BACKGROUND TO THE STUDY

Introduction

In 1962 Michael Harrington in his book, **The Other America**, dramatically focused the attention of the country on the problem of the one-fifth of the nation which, in the age of affluence, was ill-clothed, ill-fed, and ill-housed. Partially in response to Harrington's challenge, in 1964, President Johnson launched the country on its war against poverty. Previous to that time, the poor had indeed been the forgotten Americans.

While everyone knew that poverty existed, there was very little done to define its magnitude or to inquire as to its causes or what would bring about its alleviation. Since 1964, poverty has become one of the most widely discussed topics as well as one of the most thoroughly researched areas in American social science.

Indian Poverty

There is one group of American poor who have been strangely, but significantly, neglected in this analysis. That group is the American Indian. Yet Mamie L. Mizen of the Senate Appropriations Committee has noted. "The American Indian is the poorest of poor"¹ THE CHRISTIAN CENTURY in an editorial appropriately entitled, "Help the Neediest First," has commented,

His average annual income is one-half of the amount that has been determined to be the general poverty level for the poor in the United States. He can expect to live to age

¹Mamie L. Mizen, **Federal Facilities for Indians**, Committee on Appropriations, United States Senate (Washington: Government Printing Office, 1966), p. IX.

42. His segregation from the rest of society makes the Negro's degree of acceptance look good. The level of unemployment among his people is seven or eight times that of the nation's average unemployment. He suffers more from poor health, malnutrition, and ignorance than does any other group in the country.²

The editorial goes on to note that President Johnson told the American Indian Congress in 1964 that since the Indian poverty was the deepest of all poverty it would receive the nation's first attention. Vice-President Hubert Humphrey speaking before the same group also pledged the resources of the country to fighting the war against Indian poverty first.

It is accurate to say that the neediest have been helped neither first nor in proportion to their destitution. Most of the nation's attention has focused on the urban ghettos. To the thinking of most Americans, the problem of poverty is the problem of the negro slum dweller.

Purpose and Scope of the Study

In part, this is the fault of those who have investigated the problem of poverty for insufficient attention has been given by them to the American Indian. It is the purpose of this report to, in a limited way, contribute to the understanding of Indian poverty in a specific geographic area by investigating and delineating the extent of Indian poverty in the State of South Dakota and by determining and expressing the impact of Indian poverty upon the economy of that State.

In this chapter, the authors will endeavor 1) to point out the limitations of their study and 2) to discuss briefly the standards of poverty that have been suggested by various governmental and private agencies as yardsticks for defining poverty. In the second chapter we will characterize Indian poverty and determine its extent in South Dakota. The third chapter is a study done on the marketing environment of the South Dakota Indian counties and its relation to the Indian's well being.

The fourth chapter will concern the costs of poverty. We will attempt to establish the "poverty gap" for the Indians of South Dakota and, by using that "poverty gap" ascertain the actual loss of income to the State that results from Indian poverty. In addition, the

²"Help the Neediest First," *The Christian Century*, May 27, 1964, p. 693.

costs of the current Indian welfare programs will be noted. In the fifth chapter we will attempt an analysis of the current programs for the alleviation of Indian poverty that are in progress throughout the State of South Dakota by pointing out the impact of these not only upon the Indian but upon the economy of the State as a whole. The sixth chapter will provide a summary of our findings and recommendations. At the end we will include a bibliography of additional references that may be consulted by those who wish to pursue the problem of Indian poverty in particular, or the problem of poverty in general.

Limitations of the Study

There are two main limitations to this inquiry. First, by necessity our investigation has been confined to the Indians living on the reservations or near the reservations in South Dakota. This is because information on Indians living elsewhere within the state is not available. The second limitation is that the statistics which we do have are of questionable validity. Recording procedures on the reservations are not standardized and information obtained from two sources concerning the same problem has often been found to be in conflict. When conflict has arisen, the authors have attempted by personal investigation and inquiry to determine which set of statistics is the most accurate in its representation.

The study is also limited by the capacities of the investigators. We are economists and particularly well suited for statistical investigation. Not being social psychologists, we will leave out of the inquiry a comprehensive discussion as to the causes of Indian poverty. These investigations have been made by others more competent than we and in the bibliography the sources of these studies are noted.

A statistical inquiry of this sort is important for several reasons. First, it clearly states the magnitude of the problem and the benefits to be gained from its alleviation. Second, an inquiry of this sort provides the actuarial basis whereby the theories as to the causes and cures of Indian poverty can be tested.

Standards of Poverty

Before any discussion of poverty can begin, it must first be clearly stated what is meant by the term. Therefore, the rest of this chapter is devoted to a discussion of the various definitions of

poverty which have been used, pointing out the strength and the weaknesses of each.

The definition of poverty is important for two reasons. First, the need for programs to eliminate poverty is directly related to the magnitude of poverty within both the country and the State of South Dakota. Various standards of poverty yield various results as to the number of the poor, and the urgency of remedy is in direct relation then to the definition used.

Secondly, the composition of the poor is also dependent upon how the poor are defined. It is important that the composition of the poor be known if programs for the alleviation of poverty are to be worked out.

For example, some definitions of poverty yield a much larger percentage of the aged in poverty than do others. Therefore, programs designed to alleviate the distress of the elderly will be more important under some definitions than they would be under others.

Economists have developed two general approaches to the definition of poverty: the income and the consumption standards.

The Income Standard. This approach centers around the establishment of a base income and classifying those who are below it as poor. There have developed many base incomes for dividing those who live in affluence from those who live in deprivation. The most widely used standard was suggested in 1964 by the President's Council of Economic Advisors (C.E.A.). Using figures supplied to them by the Department of Agriculture and the Social Security Administration, they determined that a low-cost budget for a non-farm family of four would have a 1962 cost on the average of \$3,000. On the basis of this, the \$3,000 a year for a family of four and an income of \$1,500 a year for a single person was established as the statistical dividing line which would set off the poor in America. Figures for the percentage of all families in the United States living in poverty for the years 1947-1966 using the Council's standard are given in Table I-1.

Walter Heller, commenting upon the standard of the Council of Economic Advisors, has noted that "For such a family, \$3,000

would provide only \$5 per person per week for food, only \$20 a week for housing, and less than \$25 a week for all other purposes."³ Using this standard the Council found that approximately 20 percent of American families lived in poverty in 1962.

TABLE I-1
PERCENT OF FAMILIES WITH INCOME
LESS THAN \$3,000, 1947-1966
IN UNITED STATES
(1962 Dollars) *

Year	Percent of Families
1947	32
1950	32
1951	29
1952	28
1953	26
1954	28
1955	25
1956	28
1957	23
1958	23
1959	22
1960	21
1961	21
1962	20
1963	18
1964	17
1966	10.5

* All calculations are made on the basis of 1962 purchasing power. In 1966, for example, it took an income of \$3,335 to command the same purchasing power as a \$3,000 income in 1962.

Source: Bureau of the Census, **Current Population Reports**.

³Walter W. Heller, **Economic Opportunity Act of 1964 (Part 1) Hearings before Subcommittee on War on Poverty Program, Committee on Education and Labor, House of Representatives, 88th Congress 2nd session** (Washington: Government Printing Office, 1964), p. 27-28.

Criticism of the C.E.A. Standard

Criticism of the Council's income base has come in two forms. First, it has been suggested the figure of \$3,000 is too low. Leon H. Keyserling, formerly chairman of the Council of Economic Advisors under President Harry Truman, has indicated that a fairer and more just base income would be in the neighborhood of \$4,000.⁴ The reasoning behind the higher figure is that the \$3,000 standard does not provide a family with a sufficient enough income to allow it to fully participate in society. The idea here is that poverty has a sociological as well as a physical dimension. While the Council of Economic Advisors' standard does permit biological existence, it does not permit the individual a sufficient income to purchase the amenities of life which it is felt are necessary for him to have if he is to identify himself as a member of American society. By this standard a person is poor even if he is able to provide food and clothing and shelter for his family as long as he is unable to purchase the goods which the others around him in society are able to purchase.

If this higher income with its sociological dimension standard was employed, then as society becomes richer, the income level which sets the poor and the rich apart would be constantly increasing. It is possible to be somewhat skeptical of this standard on the basis of the fact that if an ever rising standard of poverty is employed, then by definition poverty becomes incapable of being removed. Oscar Ornati has made the point when he writes, "If we define the poor as making up some part of the bottom of the income distribution, some kind of lower fifth, eighth, tenth, or whatever fraction you will, their eternal permanence is guaranteed."⁵

The Council of Economic Advisors' standard though does indicate a limited acceptance of a rising level for the poverty line. In the late 1940's, the poverty figure was set at \$2,000. In terms of current buying power, this is equivalent to an income of \$2,500 today. What this means is the poverty income used by the Council of Economic Advisors has risen some 30 percent in the past 15 years, more than the income needed to purchase a physical subsistence has increased.

⁴Leon H. Keyserling, *A FREEDOM BUDGET FOR ALL AMERICANS* (New York: A Phillip Randolph Institute, October, 1966).

⁵Oscar Ornati, "Affluence and the Risk of Poverty," *Social Research*, Autumn, 1964, p. 337.

The Council of Economic Advisors' standard has also been criticized on the grounds that it gives an inadequate definition of who actually constitutes the poor. The Chamber of Commerce of the United States in their report on poverty has stated:

The formula advanced by the President's Council of Economic Advisors in its 1964 annual report is inadequate because of regional differences in the cost of living and other factors. The definition includes many Americans who are not poor by any standard and will be insulted to be identified as such. At the same time, it includes many American families, particularly large families, in large cities who cannot begin to reach minimum needs on considerably more than \$3,000 a year.⁶

The Flexible Income Standard

In response to their last criticism, Mollie Orshansky of the Social Security Administration has devised a flexible income standard which compensates for such factors as the size of families, the place of family residence, and the sex of family head. Using this revised standard, the line for poverty would range from \$1,100 for a farm family of two to almost \$6,000 for a non-farm family of more than five.⁷ This more flexible income standard produces about the same number of poor as were produced using the less flexible standard of the Council of Economic Advisors. But Table I-2 indicates the use of the new standard does significantly change the composition of the poor. The flexible standard gives much lower numbers to the rural and the aged living in poverty and does place a higher number of children as well as urban families in the poverty group. The poverty incomes for 1964, as calculated using the flexible income standard are listed in Table I-3.

This flexible standard has been criticized by the President's National Advisory Commission on Rural Poverty as underestimating the extent of rural poor. The flexible standard is based on the concept that farm families need only 70 percent as much income as non-farm families to maintain the same standard

⁶The Concept of Poverty (Washington: Chamber of Commerce of the United States, 1964), p. 16.

⁷Mollie Orshansky, "Counting the Poor: Another Look at the Poverty Profile," Social Security Bulletin, XXVIII (January, 1965), pp. 3-29.

of living due to the home-produced food and imputed rent from owner occupied dwellings which they receive. The Commission has indicated that the appropriate figure should be 85 percent of non-farm income rather than 70 percent. Quoting the Commission: "The fact that rural people must often travel great distances to buy necessities or to obtain medical services has yet to be allowed for."⁸

TABLE I-2
NUMBER OF PERSONS IN POVERTY
1963
(millions)

Unit	Social Security *		C.E.A. **	
	Number	Percent	Number	Percent
All Persons	34.6	18	33.4	18
Farm	3.2	25	4.9	39
Urban	31.4	18	28.5	16
Children	15.0	22	10.8	16

* Using the Social Security's flexible income standard.

** Using Council of Economic Advisors Standard of 3,000 for family of four.

Source: *Social Security Bulletin*, January, 1965.

TABLE I-3
ANNUAL CASH INCOME THRESHOLD TO POVERTY*

Size	Non-farm	Farm
1	\$1,540	1,080
2	1,990	1,390
3	2,440	1,710
4	3,130	2,190
5	3,685	2,580
6	4,135	2,895
7	4,635	3,245
8	5,135	3,595
9	5,635	3,945
10	6,135	4,295
11	6,635	4,645
12	7,135	4,995
13 or more	7,635	5,345

* Income for family sizes from 1 through 6 are weighted average composites resulting from the range of thresholds estimated by the Department of Health, Education and Welfare. Incomes for family sizes larger than 6 are uniform extensions of the thresholds for smaller families, by the OEO.

Source: *Dimensions of Poverty in 1964* Red. Ed. (Washington: Office of Economic Opportunity, December, 1965), p. 8.

⁸ President's National Advisory Commission on Rural Poverty, *The People Left Behind* (Washington: Government Printing Office, September, 1967), p. 8.

The Consumption Standard

While the income standard is generally used, a number of economists feel that a second approach to defining poverty, the consumption standard, is to be preferred. These economists feel that using an income standard over-estimates the amount of poverty in the nation due to the fact that income is not always tied to the level of consumption. There are those who receive an income below \$3,000 a year yet are able to consume in excess of their income because they have either accumulated assets in the past which can be reduced to pay for current consumption or they are capable of borrowing additional income on the basis of their anticipated earnings. Margaret G. Reid of the University of Chicago has pointed out that, "Outlays (of the poor) were \$126 for every \$100 of income."⁹

Criticism of the Consumption Standard

While the consumption standard is strong in that it does point out that it is consumption and not income which actually determines physical well being; it is weak in that it fails to realize that for most of the poor, consumption in excess of income is impossible.

Most of those who have sufficient assets to pad their incomes are the aged who were prosperous at some earlier time. Evidence indicates quite clearly that the distribution of assets among the aged is quite skewed in favor of a few. While there are a few aged which have rather large accumulations of assets, the majority of the aged have little. According to the Survey Research Center at the University of Michigan,

The persistence of poverty is reflected in the large number who have been unable to accumulate savings . . . (M)ore than one-half of the aged poor in 1959 had less than \$500 in liquid savings and they had not had savings above that figure in the previous five years. Less than one-fifth of all poor families reported accumulated savings in excess of \$500. The mean amount of savings used by poor families in 1959 was \$120 and only 23 percent of the poor drew on any savings at all. It is clear that for most families property income and savings do not provide buffer against poverty.¹⁰

⁹ Margaret G. Reid, *Economic Opportunity Act of 1964*, op. cit., p. 292.

¹⁰ Quoted in Hanna H. Meissner, ed., *Poverty in the Affluent Society* (New York: Harper and Row, 1966), p. 47.

Conclusion

For purposes of this paper, the standard of income set forth by the Council of Economic Advisors in its 1964 report will be used. Despite its inadequacy, the statistical data which is available on the Indian has been stated in terms of that standard. The discussion above has been included in this report for the purpose of clarifying the controversy which does exist over the definition of poverty income and for indicating that the figures used within this report are subject to both modification and clarification at future times.

CHAPTER II

CHARACTERISTICS OF INDIAN POVERTY

Indian Population and Manpower

As Table II-1 indicates, there were 33,904 Indians living in the State of South Dakota as of March, 1968. The Department of Public Health gives the 1968 population of the state at 698,000. Indians therefore constitute 6 percent of the state's population. The Indians are therefore becoming a slightly larger percentage of the state's population. Using the figures compiled by Francis Moul and Albert Farrell, Indians comprised 3.4 percent of the state's population in 1940 and 1950 and 3.7 percent in 1960.¹¹

TABLE II-1
SOUTH DAKOTA INDIAN POPULATION
1968

Standing Rock (South Dakota residents)	2,643
Pine Ridge	10,663
Cheyenne River	4,098
Rosebud	7,127
Sisseton	1,930
Crow Creek	1,150
Lower Brule	581
Yankton	1,244
Pierre, Fort Pierre, Flandreau	993
Rapid City	2,425
Other cities and towns (Sioux Falls, Aberdeen, etc.)	1,050
Total Number of Indians in South Dakota	33,904
Indians of South Dakota living on or near Reservations	29,479

Source: Based on March, 1968 "Report of Labor Force", Office of Reservation Programs, Aberdeen Area Office, April 1, 1968.

There are two possible explanations for this relative increase in Indian population. First, the population of the state has been almost stagnant in the past few years while the Indian population has grown slightly. Second, while the young people in the state, both Indian and non-Indian, have shown a high rate of out migration, there is a much higher return rate among the Indians. This return rate has been accentuated in recent years by the somewhat improved living conditions on the reservations.

¹¹ Population, Employment and Income in South Dakota (Pierre: State Resources and Planning Council, August, 1966).

Seventy-four percent of all South Dakota Indians live in the West Central section of the state creating an acute economic problem for that region.¹² If one includes the Crow Creek reservation which is adjacent to this region then 77 percent of the Indians are clustered in this the poorest area of the state.

Table 11-2 gives an extensive breakdown of the state's reservation population by location, age, and unemployment condition. Table 11-2 shows one major problem in the development of the reservations; the large percentage of the population which is in the "dependent" category. The "dependent" category includes those below 16 years of age and above 65. Thirteen thousand nine hundred ninety-seven of the total 26,789 reservation Indians (52%) were in these age brackets.¹³ If we include in the dependent category those who are in school, disabled or forced to stay out of the work force due to the unavailability of care for their children then the total rises to 21,050 or 78 percent of the total Indian population.

The fact that over three-fourths of the Indians are classified as unproductive places an inordinant strain upon the rest of the Indian labor force to support them.

These dependent groups require an abnormally large amount of public services (education, health care, etc.) which diverts funds that could be used elsewhere for economic development given a more favorable population mix.

This problem is one that affects the non-Indian population of the state as well. Moul and Farrell noted a net migration from the state of 10.4 percent for each decade 1910-1960.¹⁴ Most of these who have left have been the young more productive citizens. The problem does appear to be more intense on the reservations than in the state as a whole.

¹² See Calvin A. Kent, "The West River Indian Counties" in *The Economy of the West Central Region of South Dakota* (Vermillion: Business Research Bureau), pp. 34-51.

¹³ The average for the state in 1960 was about 44 percent. See Moul and Farrell, *op. cit.*, p. 10.

¹⁴ Moul and Farrell, *op. cit.*, p. 8.

TABLE II-2
POPULATION, LABOR FORCE AND EMPLOYMENT STATISTICS
FOR SOUTH DAKOTA RESERVATIONS
March, 1968

Reservation		Indian Population			Under 16 Years Old	Indian Population of Working Age						
		Total	Within Reservation	Adj. to Reser- vation		Total	16-19	20-24	25-34	35-44	45-65	65+
Cheyenne River	Total	4,098	3,995	103	1,638	2,460	363	379	523	352	691	152
	Male	2,098	2,046	52	829	1,269	185	199	266	211	348	60
	Female	2,000	1,949	51	809	1,191	178	180	257	141	343	92
Lower Brule	Total	581	539	42	530	297	50	56	49	62	58	22
	Male	283	261	22	255	143	24	22	23	35	30	9
	Female	298	278	20	275	154	26	34	26	27	28	13
Pine Ridge	Total	10,663	10,266	397	4,866	5,797	892	853	1,250	965	1,246	591
	Male	5,419	5,216	203	2,454	2,965	464	424	621	502	649	305
	Female	5,244	5,050	194	2,412	2,832	428	429	629	463	597	286
Rosebud	Total	7,127	6,647	480	3,329	3,798	495	568	737	783	662	553
	Male	3,635	3,390	245	1,698	1,937	252	290	376	399	338	282
	Female	3,492	3,257	235	1,631	1,861	243	278	361	384	324	271
Crow Creek	Total	1,150	1,120	30	530	620	88	140	130	85	128	49
	Male	596	576	20	255	341	55	82	76	42	66	20
	Female	554	544	10	275	279	33	58	54	43	62	29
Yankton	Total	1,244	1,031	213	578	666	75	103	119	130	161	78
	Male	593	502	91	263	330	38	52	61	66	74	39
	Female	651	529	122	315	336	37	51	58	64	87	39
Sisseton	Total	1,926	1,538	388	961	965	149	129	165	142	260	120
	Male	960	757	203	484	476	69	62	78	67	125	75
	Female	966	781	185	477	489	80	67	87	75	135	45
Total	Total	26,789	25,136	1,653	12,432	14,603	2,112	2,228	2,973	2,519	3,206	1,565
	Male	13,584	12,748	836	6,238	7,461	1,087	1,131	1,501	1,322	1,630	790
	Female	13,205	12,388	817	6,194	7,142	1,025	1,097	1,472	1,197	1,576	775

Source: Bureau of Indian Affairs.

TABLE II-2 (Continued)
POPULATION, LABOR FORCE AND EMPLOYMENT STATISTICS
FOR SOUTH DAKOTA RESERVATIONS
March, 1968

Reservation		Over 16, Not in Labor Force			Women With No Child Care	Disabled Women	Available Labor Force	Employed			Unemployed	
		Total	Students	Disabled Men				Total	Permanent	Temporary	Total	Seeking Work
Cheyenne River	Total	1,066	347	92	541	86	1,394	1,022	931	91	352	105
	Male	291	199	92	0	0	978	626	576	50	352	105
	Female	775	148	0	541	86	416	396	355	41	—	—
Lower Brule	Total	142	39	14	46	43	155	62	37	25	93	35
	Male	33	19	14	0	0	110	41	21	20	69	30
	Female	109	20	0	46	43	45	21	16	5	24	5
Pine Ridge	Total	2,735	446	698	1,172	419	3,062	1,562	955	607	1,500	599
	Male	915	217	698	0	0	2,050	946	580	366	1,104	461
	Female	1,820	229	0	1,172	419	1,012	616	375	241	396	138
Rosebud	Total	1,952	707	475	115	655	1,846	928	764	164	918	396
	Male	821	346	475	0	0	1,116	566	473	93	550	319
	Female	1,131	361	0	115	655	730	362	291	71	368	77
Crow Creek	Total	247	85	45	42	75	373	102	54	48	271	100
	Male	86	41	45	0	0	255	84	44	40	171	85
	Female	161	44	0	42	75	118	18	10	8	100	15
Yankton	Total	278	109	21	36	112	388	304	113	191	84	29
	Male	86	65	21	0	0	244	172	64	108	72	21
	Female	192	44	0	36	112	144	132	49	83	12	8
Sisseton	Total	633	273	121	165	74	332	181	95	86	151	60
	Male	256	135	121	0	0	220	111	49	62	109	40
	Female	377	138	0	165	74	112	70	46	24	42	20
Total	Total	7,053	2,006	1,466	2,117	1,464	6,632	3,997	2,349	1,966	3,369	1,324
	Male	2,488	1,022	1,466	0	0	4,423	2,453	1,427	1,196	2,427	1,061
	Female	4,565	984	0	2,117	1,464	2,209	1,544	922	770	942	263

Source: Bureau of Indian Affairs, Aberdeen Area Office, Industrial Development Branch, March, 1968

Location, Land Use and Ownership

The Indians of South Dakota are primarily located on seven reservations. Chart II-1 gives the boundaries for the reservation lands as administered by the Bureau of Indian Affairs. Table II-3 gives the Indian acreages by ownership group for South Dakota counties.

There is considerable confusion over the precise boundaries of the reservations. At one time the entire West River section of South Dakota was part of the Big Sioux Reservation. During the 1870's the government assigned certain sections to the various tribes of the Sioux nation and opened the area for settlement to non-Indians.

The pattern of land ownership on the lands classified as reservation is quite varied with non-Indians often owning as much of the reservations as do the Indians. Some reservations are so completely owned by non-Indians (Yankton and Sisseton) that they have almost disappeared as separate entities. In a few areas land sales to non-Indians have been stopped.

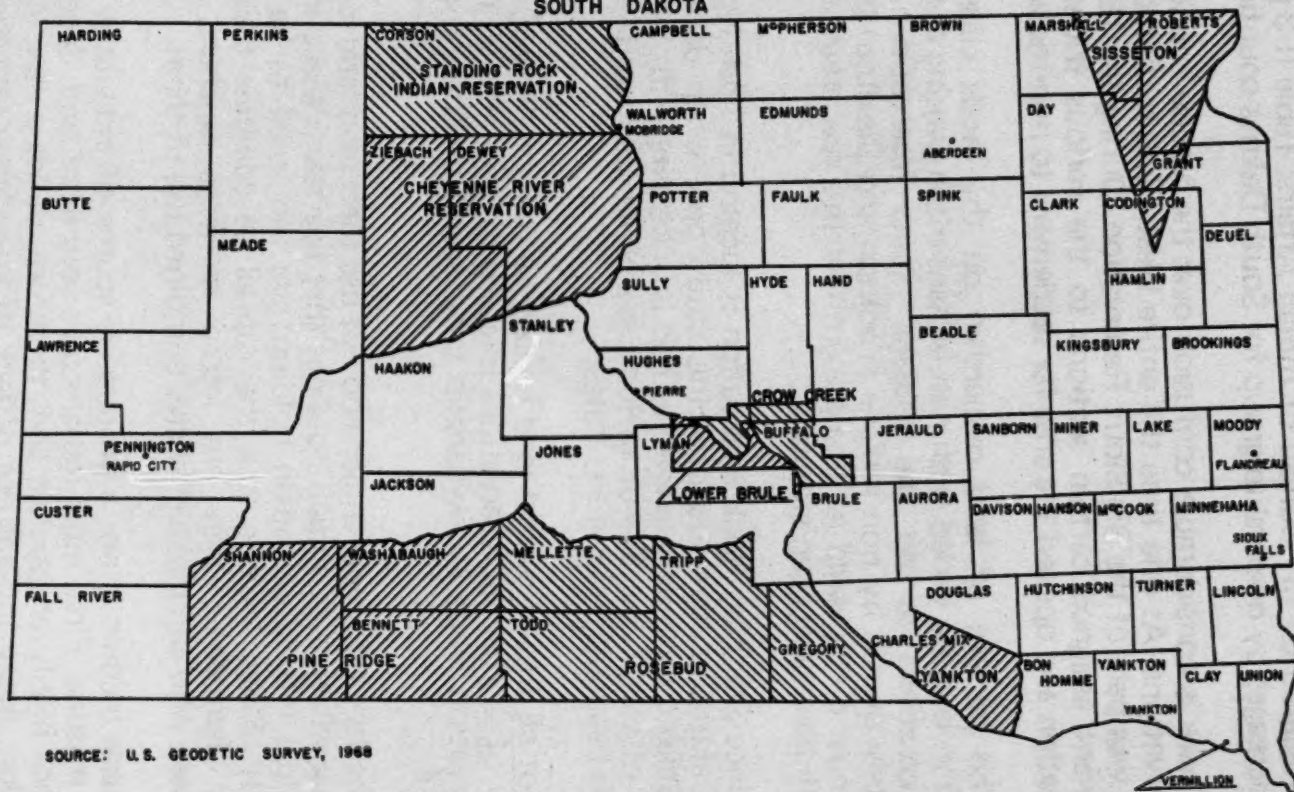
Since Standing Rock reservation is located in both North and South Dakota, it is included in this study only when data on the South Dakota portion is available. This is in keeping with the general practice of classifying Standing Rock as a North Dakota Reservation since it is headquartered at Ft. Yates.

Not all Indian owned land is used by Indians. In fact, the vast majority of land on all reservations is leased to non-Indians. The data for reservation lands by ownership groups and by users is given in Table II-4.

The fact that most Indians do not use their own land is a result of the parcellation of Indian holdings that has taken place in recent years. Most individual Indian holdings are too small to be farmed efficiently. Since Indians lack the capital to combine these small holdings themselves, they are leased to large ranchers, usually non-Indian, who can make effective combined use of them.

Lease income is not a productive source of individual income for two reasons. First, most Indians own very little land. Second, the land is not highly productive and, therefore, yields a very low rent. In addition, many Indians out of lack of knowledge rent their lands at too low a price. Still, as the data on Indian income shows, lease income is the major component of unearned income for the Indians.

CHART II-1
RESERVATION LANDS
SOUTH DAKOTA



SOURCE: U.S. GEODETIC SURVEY, 1968

TABLE II-3
SOUTH DAKOTA INDIAN LANDS BY OWNERSHIP
UNDER THE BUREAU OF INDIAN AFFAIRS BY COUNTY
June 30, 1967
(Acres)

	Tribal	Individually Owned	Government Owned	Total
Bennett	91,130.88	213,115.47	27,396.25	331,642.60
Bon Homme	40.00	—	—	40.00
Brule	—	144.49	—	144.49
Buffalo	17,265.24	43,078.16	8,378.24	68,721.64
Charles Mix . .	5,443.00	29,733.20	—	35,176.20
Codington . .	—	1,161.61	—	1,161.61
Corson	219,450.02	325,280.80	6,407.28	551,138.10
Day	—	9,358.81	40.00	9,398.81
Dewey	553,777.58	300,548.89	4,468.06	858,794.53
Grant	—	600.00	—	600.00
Gregory	5,960.00	23,600.00	—	29,560.00
Haakon	850.46	910.85	—	1,761.31
Hughes	8,910.03	19,078.36	6,667.93	34,656.32
Hyde	5,277.12	12,374.35	4,305.34	21,956.81
Lyman	56,486.64	34,346.95	12,889.22	103,722.81
Marshall	—	27,411.22	—	27,411.22
Meade	160.00	—	—	160.00
Mellette	104,350.00	185,920.00	—	290,270.00
Moody	2,180.31	—	176.00	2,356.31
Pennington	18.66	621.34	117.87	757.87
Perkins	—	800.00	—	800.00
Roberts	850.01	65,510.91	41.75	66,402.67
Shannon	133,216.57	612,836.33	15,930.32	761,983.22
Stanley	12,732.54	6,102.35	320.00	19,154.89
Todd	284,610.00	265,810.00	28,797.24	579,217.24
Tripp	12,610.00	72,550.00	—	85,160.00
Washabaugh . .	147,893.08	271,905.59	4,840.00	424,638.67
Ziebach	351,627.81	220,379.75	86.00	572,093.56
South Dakota Total	2,014,839.95	2,743,179.43	120,861.50	4,878,880.88

Source: Annual Report on Indian Lands, Bureau of Indian Affairs.

TABLE II-4
OWNERSHIP AND USE OF RESERVATION LAND: 1967
 (Hundreds of Acres)

	Pine Ridge	Rosbud	Crow Creek	Lower Brule	Cheyenne River	Yankton	Sisseton
Total Acres	2,785.5	3,343.0	261.2	218.8	2,811.5	431.4	845.3
Owned by:							
a. Tribe	372.2	426.0	31.4	65.4	909.4	4.4	.8
b. Individual Indians	1,097.9	599.0	74.6	35.9	524.1	27.7	105.3
c. Public Domain	24.9	0	0	0	0	0	0
d. Other Government	48.2	29.0	20.3	15.6	4.5	5.1	0
e. Non-Indian	1,027.3	2,289.0	134.9	101.9	1,372.5	394.2	739.2
Percent of Land Not in Indian Hands .	37	68	62	47	49	91	87
Percent of Land Not Used by Indians	55	86	85	54	55.5	92	99.5

Source: "Evaluation of Population Support Capacity" for the above reservations, Bureau of Indian Affairs, Aberdeen, South Dakota.

EMPLOYMENT

As was indicated above only 25 percent of the reservation population can be considered to be in the labor force. As Table II-5 indicates, 60.3 percent of the labor force is employed but only 35.4 percent on a permanent basis. When the totals are broken down by sex only 55.4 percent of the men are employed as compared to 69.9 percent of the women. The permanent employment rates are 32.2 and 41.7 percent for males and females respectively.

The fact that a higher percentage of the female labor force is employed than the male labor force is one of the contributing factors to the growth of the "matriarchial" system on the Indian reservations.

Table II-5 gives percentage breakdowns for each reservation. As can be expected, there is a great deal of variation from reservation to reservation. But there are consistent themes of widespread unemployment and better employment conditions for women than men.

So far as sources of Indian employment are concerned, the largest category is farming. While definite figures are again missing, it appears from the studies which have been done that slightly over half of all employed Indians work either as self-employed farm operators or salaried farm workers. As is the case in all under-developed economies, the farm employment statistics are swollen by large numbers of "disguised unemployed." The term means that many of those in farming are there only because no alternative employment exists. Their productivity is very low and the effect of their departure from farming on agricultural output would be slight.

By far the most important source of employment in terms of income generated is the various governmental agencies (Federal, state, local and tribal). Table II-6, II-7, II-8, II-9, II-10, II-11, and II-12 demonstrate this fact. In recent years governmental employment opportunities for Indians have been expanding due mainly to the presence of the Office of Economic Opportunity programs (C.A.P.). The types of jobs created have largely been for low and unskilled workers. Many of these have a "make work" aspect to them. In addition, many O.E.O. jobs are of a temporary nature and, hence, cannot be depended upon as sources of income in the future.

TABLE II-5
INDIAN EMPLOYMENT ON
SOUTH DAKOTA RESERVATIONS
BY SEX
March, 1968
(Percentage Distribution)

Reservation	Total Employed	Permanent	Temporary
Cheyenne River Total	73.31	66.78	6.52
Male	64.00	58.89	5.11
Female	95.19	85.33	9.85
Lower Brule Total	40.00	23.87	16.12
Male	37.27	19.09	18.18
Female	46.66	35.55	11.11
Pine Ridge Total	51.01	31.18	19.82
Male	46.14	28.29	17.85
Female	60.86	37.05	23.81
Rosebud Total	50.27	41.39	8.88
Male	50.72	42.38	8.33
Female	49.59	39.86	9.73
Crow Creek Total	27.34	14.47	12.86
Male	32.94	17.25	15.68
Female	15.25	8.47	6.77
Yankton Total	78.35	29.12	49.22
Male	70.49	26.22	44.26
Female	91.66	34.02	57.63
Sisseton Total	54.51	28.61	25.90
Male	50.45	22.27	28.18
Female	62.50	41.07	21.42
All Reservations Total	60.26	35.41	29.64
Male	55.46	32.26	27.04
Female	69.89	41.73	34.85

Source: Table II-2.

The importance of the government as an employer can be seen in the following quotation concerning the Pine Ridge Reservation:

Several respondents remarked that Indian dependence on the government for jobs would cause economic disaster if the government abandoned the Reservation. As one man expressed it 'the government is the economy.' This opinion is justified in light of the facts. In the sample Indian working force, (32.5 percent of all employed Pine Ridge Indians) 46.2 percent are working for a government agency. If one includes those working for the tribe, this raises the percentage . . . to 52.7 percent.¹⁵

¹⁵ "Employment and Income Among Indian Residents on the Pine Ridge Reservation", *Pine Ridge Research Bulletin*, June, 1968, p. 5.

Despite their limitations, these jobs have had a very positive effect on the living standards of the reservations. Not only have they provided jobs but needed public services and construction as well.

As Tables II-6 through II-12 show, very little employment is generated in the private nonfarm sector of the reservation economy. A list of all nonfarm enterprises on the reservations is given in Table II-13.

The few non-agricultural jobs outside the government are not of the type which are likely to create cumulative positive effects on the level of economic development. Most of the industries which have located on the reservations are attracted by the possibility of exploiting the inexpensive, unskilled Indian worker. In addition, these plants are more likely to employ women than men further eroding the position of the Indian male in the family structure.

TABLE II-6
INDIAN EMPLOYMENT
BY SOURCE ON THE CHEYENNE RIVER RESERVATION
1967

Source	Employment	
	Total	Full-Time
Manufacturing		
1. Tribal Enterprises	3	3
2. Individual Enterprises	0	0
3. Non-Indian Enterprises	0	0
Commercial		
1. Tribal Enterprises	6	3
2. Individual Enterprises	55	55
3. Non-Indian Enterprises	14	6
Service and Utilities		
1. Tribal Enterprises	24	16
2. Individual Enterprises	3	3
3. Non-Indian Enterprises	0	0
Federal Government		
1. B.I.A.	168	160
2. P.H.S.	35	34
3. O.E.O.	912	201
State and County	1	1
Tribal	27	25
Other	18	5
Total	1,266	512

Source: "Evaluation of Population Support Capacity of Individual Indian Reservations," Bureau of Indian Affairs

TABLE II-7
INDIAN EMPLOYMENT
BY SOURCE ON THE CROW CREEK RESERVATION
1967

Source	Total	Employment
		Full-Time
Manufacturing		
1. Tribal Enterprises	0	0
2. Individual Enterprises	0	0
3. Non-Indian Enterprises	12	12
Commercial		
1. Tribal Enterprises	0	0
2. Individual Enterprises	11	4
3. Non-Indian Enterprises	0	0
Service and Utilities		
1. Tribal Enterprises	3	3
2. Individual Enterprises	0	0
3. Non-Indian Enterprises	3	2
Federal Government		
1. B.I.A.	22	14
2. P.H.S.	1	1
3. O.E.U.	72	35
State and County	2	1
Tribal	12	10
Other	4.5	0
Total	142.5	82

Source: "Evaluation of Population Support Capacity of Individual Indian Reservations,"
Bureau of Indian Affairs.

TABLE II.2
INDIAN EMPLOYMENT
BY SOURCE ON THE LOWER BRULE RESERVATION
1967

Source	EMPLOYMENT	
	Total	Full-Time
Manufacturing		
1. Tribal Enterprises	0	0
2. Individual Enterprises	0	0
3. Non-Indian Enterprises	11	7
Commercial		
1. Tribal Enterprises	0	0
2. Individual Enterprises	4	3
3. Non-Indian Enterprises	0	0
Service and Utilities		
1. Tribal Enterprises	1	1
2. Individual Enterprises	0	0
3. Non-Indian Enterprises	0	0
Federal Government		
1. B.I.A.	11	7
2. P.H.S.	1	1
3. O.E.O.	20	11
State and County		
Tribal	1	1
Other	9	6
	3.5	3.5
Total	61.5	40.5

Source: "Evaluation of Population Support Capacity of Individual Indian Reservations, Bureau of Indian Affairs.

TABLE II-9
INDIAN EMPLOYMENT
BY SOURCE ON THE PINE RIDGE RESERVATION
1967

Source	EMPLOYMENT	
	Total	Full-Time
Manufacturing		
1. Tribal Enterprises	0	0
2. Individual Enterprises	1	1
3. Non-Indian Enterprises	390	390
Commercial		
1. Tribal Enterprises	4	3
2. Individual Enterprises	6	4
3. Non-Indian Enterprises	0	0
Service and Utilities		
1. Tribal Enterprises	9	5
2. Individual Enterprises	12	12
3. Non-Indian Enterprises	0	0
Federal Government		
1. B.I.A.	192	159
2. P.H.S.	65	64
3. O.E.O.	270	156
State and County	12	11
Tribal	76	64
Other	67	2
Total	1,104	871

Source: "Evaluation of Population Support Capacity of Individual Indian Reservations,"
Bureau of Indian Affairs.

TABLE II-10
INDIAN EMPLOYMENT
BY SOURCE ON THE ROSEBUD RESERVATION
1967

Source	EMPLOYMENT	
	Total	Full-Time
Manufacturing		
1. Tribal Enterprises	21	5
2. Individual Enterprises	7	3
3. Non-Indian Enterprises	26	26
Commercial		
1. Tribal Enterprises	3	1
2. Individual Enterprises	7	4
3. Non-Indian Enterprises	11	5
Service and Utilities		
1. Tribal Enterprises	0	0
2. Individual Enterprises	5	3
3. Non-Indian Enterprises	9	6
Federal Government		
1. B.I.A.	97	85
2. P.H.S.	43	39
3. O.E.O.	354	294
State and County	38	29
Tribal	53	40
Other	59	50
Total	733	587

Source: "Evaluation of Population Support Capacity of Individual Indian Reservations,"
Bureau of Indian Affairs.

TABLE II-11
INDIAN EMPLOYMENT
BY SOURCE ON THE SISSETON RESERVATION
1967

Source	Employment	
	Total	Full-Time
Manufacturing		
1. Tribal Enterprises	NA	NA
2. Individual Enterprises	NA	NA
3. Non-Indian Enterprises	NA	NA
Commercial		
1. Tribal Enterprises	NA	NA
2. Individual Enterprises	NA	NA
3. Non-Indian Enterprises	NA	NA
Service and Utilities		
1. Tribal Enterprises	NA	NA
2. Individual Enterprises	NA	NA
3. Non-Indian Enterprises	NA	NA
Federal Government		
1. B.I.A.	17.5	14
2. P.H.S.	28.5	28
3. O.E.O.	28.7	1
State and County	5.5	1
Tribal	0	0
Other	6	0
Total	NA	NA

NA = Not Available

Source: "Evaluation of Population Support Capacity of Individual Indian Reservations," Bureau of Indian Affairs.

TABLE II-12
INDIAN EMPLOYMENT
BY SOURCE ON THE YANKTON RESERVATION
1967

Source	EMPLOYMENT	
	Total	Full-Time
Manufacturing		
1. Tribal Enterprises	0	0
2. Individual Enterprises	0	0
3. Non-Indian Enterprises	12	8
Commercial		
1. Tribal Enterprises	0	0
2. Individual Enterprises	0	0
3. Non-Indian Enterprises	8	2
Service and Utilities		
1. Tribal Enterprises	0	0
2. Individual Enterprises	1	1
3. Non-Indian Enterprises	3	1
Federal Government		
1. B.I.A.	5	5
2. P.H.S.	19	19
3. O.E.O.	23	23
4. Other	3	3
State and County		
1. Tribal	1	1
2. Tribal	0	0
3. Other	34	27
Total	109	90

Source: "Evaluation of Population Support Capacity of Individual Indian Reservations,"
Bureau of Indian Affairs.

TABLE II-13
INDUSTRIAL PLANTS ON SOUTH DAKOTA RESERVATIONS
RESULTING FROM INDIAN INDUSTRIAL DEVELOPMENT PROGRAM
As of June 30, 1968

Company Name and Location	Product	Date Estab.	Current Employment		Est. Add'l. Employmen New Plants and those less than 1 year old	
			Total	Indian	Total	Indian
Chalamar, Inc.	Electronic Components	6/65	7	6	—	—
Lower Brule						
Dakota Moccasin Co.	Moccasins	12/66	75	56	—	—
Pine Ridge						
Diversified Art	Chemical Process of Lithoprint ..	7/67	3	3	12	12
Rosebud	Reproduction					
Electro Tech Educational Corp.	Construction and Assembling of .	4/65	13	12	—	—
Yankton	Electrical Equipment					
Jewelry Manufacture	Jewelry Making	6/67	5	5	10	10
Rosebud	Squaw Corn					
Pine Ridge Shopping Center	Commercial Retail	12/67	11	5	5	5
Pine Ridge						
Products Miniature of So. Dak. Inc. ..	Molded Plastic Products	8/65	12	0	—	—
Cheyenne River						
Rosebud Electronics	Cable Harnessing	7/67	38	38	12	12
Rosebud						
Rosebud Housing	Sioux "400" Homes	4/68	81	62	10	10
Rosebud						
Rosebud Mfg. Co. Inc.	Vanitories, Cabinets	11/65	37	35	—	—
Rosebud	Prehung Doors and Windows					
Sioux Dairy Co-op	Cheese	1964	11	2	—	—
Rosebud						
Sioux Mufflers, Inc.	Auto Mufflers	11/64	7	7	—	—
Crow Creek						
Stonecraft Industries	Indian Craft Replicas	10/67	16	15	8	7
Cheyenne River						
Wright & McGill Co.	Snelled Fish Hooks	3/61	50	50	—	—
Pine Ridge						
Total			366	296	57	56

Source: Office of Reservation Programs, Bureau of Indian Affairs, **Aberdeen Area Statistical Data**, p. 46.

Indian Income

It should not be surprising that the high levels of unemployment combined with the temporary nature of many jobs plus the low productivity of reservation agriculture have produced conditions of deprivation on the reservation. Tables II-14 and II-15 give breakdowns on the distribution of Indian income on the reservations. If the poverty income of \$3,000 is accepted, then 79 percent of all South Dakota Indian families have incomes below the poverty line.¹⁶

Not all Indian families are included as those who are living away from the reservations are beyond the data gathering capacity of either the Bureau of Indian Affairs or the I.C.A.P. Offices. Also included in the tables may be some Indian families living in Nebraska and North Dakota near the reservation borders.

Only the "closed" reservations (Cheyenne River, Crow Creek, Lower Brule, Pine Ridge and Rosebud) have I.C.A.P. programs in operation and as a result, comparable data for the "open" reservations (Sisseton and Yankton) is not available and hence the tabulations for these reservations are not given in Table II-15.

TABLE II-14
INDIAN FAMILY INCOME: 1967
(Numbers of Families)

Income	Standing Rock	Sisseton	Cheyenne River	Pine Ridge	Rosebud	Lower Brule	Crow Creek	Yankton
Under \$2,000 ..	585	216	965	965	753	50	124	165
2,000 to 2,999 :	165	158	151	387	170	29	51	43
3,000 to 4,999 :	102	66	65	365	119	20	34	30
Over 5,000	82	22	27	200	37	16	23	12
Totals	934	462	1,208	917	1,079	115	232	250

Source: Bureau of Indian Affairs, Aberdeen Office.

¹⁶These figures should not be accepted as completely accurate or representative for several reasons. First, the process of data collection employed by both the B.I.A. and the I.C.A.P. is not highly sophisticated. Second, these figures are now over a year old. The B.I.A. estimates that reservation income has been rising at the rate of 8-10 percent a year due to the impact of the O.E.O. programs. Therefore, the number of families below the poverty line may have decreased. On the other hand, the poverty income of \$3,000 has not been adjusted upward for inflation. How the effects of rising income and falling purchasing power offset each other is not known.

TABLE II-15
RESERVATION FAMILY INCOME: 1967

	Total No. of Families	Less Than \$3,000	Percent Less Than \$3,000	Less Than \$1,000	Percent Less Than \$1,000	From \$1,000-1,999	Percent from \$1,000-1,999	From \$2,000-2,999	Percent from \$2,000-2,999
Cheyenne River Sioux	660	646	97	230	35	318	48	98	15
Crow Creek Sioux	387	251	64	83	21	87	22	81	21
Lower Brule Sioux	223	187	79	NA	NA	NA	NA	NA	NA
Oglala (Pine Ridge) Sioux .	1,773	1,272	71	569	32	376	21	326	18
Rosebud Sioux	1,099	95	87	634	58	219	20	102	4

NA - Data not available.

Source: Indian Community Action Program, Office, University of South Dakota, Vermillion, South Dakota.

As startling as these distributions are, they do overstate the level of well-being on the reservations. Data furnished to the authors by the I.C.A.P. and B.I.A. offices permit the calculation of the following mean family incomes: Cheyenne River, \$1,781; Crow Creek and Lower Brule, \$1,732; Pine Ridge, \$1,967; and Rosebud, \$2,572. This compares with a mean family income for the State of South Dakota as a whole of \$8,470 in 1967 according to the Census Bureau. Reservation family income is thus 23-31 percent of family income in the state taken as a whole.

While detailed income breakdowns for each reservation are not available, the Public Health Service did undertake a survey of the Pine Ridge Indians. The results of their survey were divided on the basis of full or mixed blood in Table II-16.¹⁷ When they compared these distributions to the U.S. White and Nonwhite family incomes the following resulted:

The low income level of Pine Ridge Indian households may be gauged somewhat by a comparison with U.S. White and Nonwhite family income for 1964. According to the report of respondents, 66.5 percent of Indian households had an annual income of less than \$3,000. This contrasts sharply to both U.S. White and Nonwhite families: 15.4 percent of the White and 37.3 percent of the Nonwhite families have an income of less than \$3,000. Even more alarming is the reported income for Full Blood households: 82.3 percent under \$3,000.

A lower percentage of Indian households than U.S. White and Nonwhite families had income of \$10,000 or more: 5.9

¹⁷ "Employment and Income Among Indian Residents of the Pine Ridge Reservation," Pine Ridge Research Bulletin, No. 3, June, 1968, pp. 1-12.

TABLE II-16
INCOME LEVELS OF HOUSEHOLDS BY ETHNIC GROUP (1966)
(Percentage Distribution)

Income Level	Mixed Blood	Full Blood	All Indians
Very Low (Under \$1,000)	18.2	41.9	30.9
Low (\$1,000-2,999)	30.0	40.4	35.6
Below Average (\$3,000-3,999)	9.5	7.6	8.5
Average (\$4,000-5,999)	15.7	5.3	10.1
Above Average (\$6,000-6,999)	7.3	1.7	4.2
High (\$7,000-9,999)	8.4	1.5	4.7
Very High (\$10,000-Over)	10.9	1.5	5.9

Source: Pine Ridge Research Bulletin, loc. cit.

percent of the Indian households in comparison to 8.3 percent of U.S. Nonwhite and 14.1 percent of White families.

In considering the percentage of individuals (adults and children) living in households in which the annual income was less than \$3,000, one finds that it is 63.7 percent, 80.8 percent of the Full Bloods and 47.0 percent of the Mixed Bloods.¹⁸

An idea of the sources of Indian income can also be gained from their study. They note that 43.4 percent of the Indians who responded to their study and who received a cash income had a completely unearned income. This meant that their entire cash income was from leases and/or welfare transfers.¹⁹ For full bloods 49.8 percent received only unearned incomes while 36.1 percent of the mixed bloods did. In addition 30.4 percent had both earned and unearned income and 26.1 percent received only earned income. (48.5 percent of mixed blood males)

For those receiving unearned income, leases are the primary source with 51.9 percent of all Pine Ridge Indians receiving income from this source. Eighty-two and seven tenths percent of those with land leased all or part of it. Thirty-five and one-tenth percent received welfare or pension payments. The breakdown for these welfare pension payments is given in Table II-17.

¹⁸ Ibid, p. 10.

¹⁹ A complete breakdown of all unearned income by source and reservation is given in Chapter IV, Table IV-7 and IV-8.

TABLE II-17
 PERCENTAGE DISTRIBUTION OF WELFARE
 AND PENSION INCOMES
 By Source: Pine Ridge Reservation, 1968

	Percent*
Aid to Dependent Children	31.6
Social Security	21.9
Other State (Aid to Disabled, Old Age, etc.)	16.2
Bureau of Indian Affairs Assistance	10.8
Veterans	9.2
Retirement	3.9
Foster Children	1.4
Other	4.3

* The percentage refers to those receiving welfare or pensions only and not to the entire population.

Source: Pine Ridge Research Bulletin, op. cit. p. 11.

They conclude their analysis by stating:

ADC is the most prevalent form of welfare or pension payment; 45.1 percent of women receiving unearned income (except lease payments) receive ADC, 35.5 percent among Mixed Blood women and 52.2 percent among Full Blood women. In the total sample population, one finds that 19 percent of the Indian women are receiving ADC. Welfare payments of some kind are received by 58.6 percent of those with unearned income (outside of lease payments). In the total sample population, 22.3 percent are receiving welfare payments of some kind. Here welfare is defined as ADC, other State Welfare and BIA General Assistance.^{19a}

Table II-18 presents a summary of their findings.

The conclusions which can be drawn from this data are obvious. First, over three-fourths of all Indian families have below poverty level incomes. The vast majority of these families living in poverty have incomes nowhere near as high as the needed \$3,000. The commonly held idea that most of the poor have incomes clustered slightly below the poverty line is definitely not true in the case of South Dakota's Indians.

^{19a} Maynard and Mindall, op. cit. p. 12.

TABLE II-18
SOURCES OF INCOME AMONG INDIANS
 (Sample Population)
 Percentage Distribution

Sources of Income	Percent
Earned and Unearned	
Earned only	26.1
Earned and lease	19.3
Earned and welfare or pension	5.5
Earned and lease and welfare or pension	5.6
Unearned	
Lease only	14.5
Welfare or pension	11.0
Lease and welfare or pension	18.0

Source: Pine Ridge Research Bulletin, op. cit., p. 12.

Second, since these figures include all income received by reservation families from any service (employment, lease rental fees, welfare transfers, etc.), they dispel the contention that while the Indian's income from employment is low, he receives substantial amounts from leases, royalties, and the government.

Third, the situation while bad would be worse if there were no government transfers.

Finally, the economic position of the mixed blood Indian is considerably better than the full blood.

The Magnitude of Indian Poverty

Poverty effects an abnormally high percentage of the total population of South Dakota. The most recent attempt to determine the number of poor in each state was done in 1960 on 1959 data by the Census Bureau. Using their statistics, A. A. Volk calculated that in 1959 33.5 percent of all South Dakota families lived with incomes below the poverty level as compared with a national percentage of 21.4.²⁰

While precise figures for more recent years are not available, it is possible to estimate the current magnitude of poverty within the state granted certain reasonable assumptions. Two poverty populations will be calculated. The first is based on the assumption that the percentage of the population of the state in poverty has remained constant at 33.5 percent. The second is based on the

²⁰"Poverty in South Dakota", Business Review Supplement, August, 1965.

assumption that poverty has declined in South Dakota at the same rate it has declined nationally; one percent a year. The second calculation would put 26 percent of the state's population in poverty.

The 1967 population of South Dakota was estimated by the Census Bureau as being 674,000. The number in the state in poverty is therefore between approximately 225,800 and 175,200. In 1967 there were 33,904 Indians living in South Dakota according to the Bureau of Indian Affairs. As the figures in the section on Indian income given above indicate, 79 percent or 25,784 of these are poor.

These figures show quite clearly that South Dakota Indians represent a disproportionately large percentage of the total poor within the state. While the Indians comprised about 6 percent of the state's population, they accounted for between 9 and 13 percent of the total poor. While 33 to 26 percent of the total population of the state received an inadequate income, 79 percent of all Indians were in that unfortunate position.

Yet the figures also show that poverty in South Dakota is not predominately an Indian problem. Even if Indian poverty were eliminated, a considerable percentage of the state's population would still be below the poverty line.

Education

The education of Indian children in South Dakota is a shared responsibility. The primary purveyor of education on the reservation is the federal government which operates through the B.I.A. an extensive system of elementary and secondary schools. Enrollment and other pertinent data on B.I.A. schools in South Dakota is given in Table II-19. In addition, the federal government is now operating "Head Start" pre-kindergarten and kindergarten programs on all reservations as part of the Community Action Program (C.A.P.).

Table II-20 gives the school census for Indian students. As can be seen on all "closed" reservations, except Rosebud where the public and Bureau schools are integrated, most Indian students are in Bureau schools. Where Bureau and public schools exist together there is usually great opposition among both Indians and non-Indians to their amalgamation.

TABLE II-19
BIA SCHOOLS - 1968

Agency and School	Total Enrolled	Total Completions ¹	% of Total Completions To Total Enrolled	% Attended ² By Each Student	No. of Dropouts ³	No. of Transfers ³
Cheyenne River - Total ...	1,118	971	88	83	31	138
Flandreau Indian School ..	643	481	88	77	162	60
Pierre - Total	661	596	90	88	41	22
Pine Ridge - Total	2,405	2,001	83	70	134	239
Rosebud - Total	375	186	50	62	37	116
Sisseton - Total	86	75	87	87	0	6
Standing Rock -						
South Dakota Total	202	194			0	4
Total	5,490	4,454			405	585

¹ Total completions is the aggregate sum of students completing the school year.

² The aggregate attendance of all pupils in the school is divided by the number of days school was in session.

³ This contains the actual dropouts and transfers out. These figures do not indicate the difference between total enrolled and completed due to deaths, expulsions, in-transfers.

Source: Aberdeen Area Statistical Data, op. cit., pp. 53-54.

TABLE II-20
SCHOOL CENSUS OF INDIAN CHILDREN ¹
1967-1968

In School						Out of School				Ratio ⁶	Grand Total
Agency	Total	Public	Gov't.	Mission	Other ²	Total	Valid ³ Reasons	Other ⁴ Reasons	Information ⁵ Not Available		
Cheyenne River	1,813	417	1,143	138	115	47	8	37	2	86:1	1,860
Flandreau	99	87	4	1	7	3	2	1	0	33:1	102
Pierre - Total	743	265	370	71	37	25	3	5	17	30:1	768
Pine Ridge	4,184	1,200	2,376	441	167	398	14	112	272	11:1	4,582
Rosebud - Total	4,029	2,677	471	735	146	251	56	120	75	16:1	4,280
Sisseton	1,081	875	155	4	47	44	0	44	0	25:1	1,125
Total	11,949	5,521	4,519	1,390	519	768	83	319	366	20:1	12,717

¹ All 6 to 18 years old in and out of school and all students over 18 in school.
² Consists of vocational colleges and special schools.
³ Consists of physically unfit, mentally unfit, and marriages.
⁴ Consists of other, unknown and invalid reasons.
⁵ Since this category was definitely **not in** school, they were grouped under not in school.
⁶ Ratio constitutes total known in school/total known not in school.

Source: Aberdeen Area Statistical Data, Office of Reservation Programs, Bureau of Indian Affairs, p. 52.

There were 11,949 Indian children in school. Of these 5,521 (46%) were in public schools, 4,519 (38%) in Bureau schools, 1,390 (11%) in parochial schools, and 519 (5%) in special schools or vocational programs.

The educational achievement of South Dakota Indians is well below the achievement for the U.S. population as a whole. The typical South Dakota Indian has completed 8.4 years of school.²¹ This can be contrasted with the national average of 10.6 in 1965. When the total population of the U.S. is divided along ethnic lines, the average number of years completed by white individuals is 12.0 and 9.0 for Negroes.

While only 20 percent of South Dakota Indians have completed high school, over 50 percent of the white and 27 percent of the Negroes in the country hold high school diplomas. The completion rate for Indian students bears an inverse relationship to age. Table II-21 which was prepared for only the Pine Ridge Reservation shows that over a third of those on Pine Ridge between the ages of 25-29 years had completed high school, while less than 15 percent of those over 55 had.

TABLE II-21
EDUCATIONAL LEVEL OF AGE GROUP
ON PINE RIDGE RESERVATION
Persons 25 and Over
Percent Distribution

Age Group	8th Grade Or Less	Educational Level 1-3 years of High School	High School or More
25-29 years	30.6	33.6	35.7
30-34 years	40.9	27.8	31.2
35-44 years	49.6	33.1	17.3
45-54 years	46.9	30.1	23.0
55-64 years	72.3	14.2	13.5
65-69 years	90.8	5.8	3.5
70 years and older	87.3	9.2	3.6

Source: Pine Ridge Research Bulletin, (April, 1968), p. 18.

²¹ All statistics used in this section unless otherwise noted, came from unpublished memoranda furnished to the authors by the Bureau of Indian Affairs.

An excellent study of Indian education on the Pine Ridge Reservation has been completed by the Public Health Service.²² While experience on the other Indian reservations may differ from that at Pine Ridge, a brief summary of their findings appears to be instructive. It was found that educational achievement as measured by both school years completed and percentage of high school graduates was significantly better for mixed than full bloods. Mixed bloods averaged 10.1 years of school completed as compared to 8.2 years for full bloods.

When educational achievement was broken down on the basis of sex, there was no significant difference between male and female. But when sex and ethnic groups were combined, mixed blood females outachieved all other groups. Full blood males did outachieve full blood females.

Educational achievement was found to be greater for those living in communities than for those in strictly rural environments. Those living in a complete nuclear family did better than those from broken homes. Those who had lived off the reservation did better than those which had not.

One of the most significant findings of the Pine Ridge study was that the higher the level of educational achievement, the less the likelihood of the individual being bilingual. The report reads as follows:

The language pattern for persons in the high education category is as follows: 54.4 percent speak only English or speak a little Lakota, 45.1 percent are bilingual and 4 percent speak Lakota and a little English. Among those in the middle education category, 29.2 percent speak only English or speak a little Lakota, 67.6 percent are bilingual, and 3.2 percent speak Lakota and a little English. In the low education category, 10.4 speak only English or a little Lakota, 78.3 percent are bilingual, 10.7 percent speak Lakota . . .²³

These statistics may reflect the barriers to education created by the cultural environment of the reservation.

²² "Characteristics of the Indian Population by Educational Level", Pine Ridge Research Bulletin, (April, 1968).

²³ Ibid, p. 9.

The dropout rate for Indian students in South Dakota is 50 percent greater than that for all U.S. students taken as a whole. On a nation wide basis the dropout rate for students for grades 8-12 is 22.7 percent.²⁴ In South Dakota the figure for all students (including Indians) is only 14.4 percent. The dropout rate for Indian students in South Dakota is 57.8 percent.²⁵ The national average rate for all Indian students is 47.7 percent. This clearly indicates that the Indian dropout problem is more acute in South Dakota than it is elsewhere.

There appear to be two dropout peaks; one at the end of the 8th grade and the other during the first year of high school. For the entire U.S. school population the dropout rate peaks around the end of the junior year in high school.

The reasons for the high dropout rates are discussed in Chapter V, but one of these merits mention at this juncture. On the reservations as elsewhere education and employment are positively correlated. The better education an Indian has, the greater the likelihood of his holding a good paying job. Yet, the rewards to Indian youth for obtaining more training are well below the returns to the rest of the U. S. population. Completing high school or even college does not insure the Indian a job. On the Pine Ridge Reservation for example, as Table II-22 reveals, 13.8 percent of those with high school education or better are unemployed. The employment rates by education group on Pine Ridge are given in Table II-22.

In addition, many of the jobs which are available to Indians are of such a nature that a great deal of education is not necessary. The menial jobs which characterize reservation employment opportunities do not challenge the Indian youth to stay in school. In addition, many government work-study programs such as the Neighborhood Youth Corp (NYC) are only available to dropouts; and hence, they are encouraging under achievement.

²⁴ The data above and which follows is taken from Alphone D. Selinger, *The American Indian High School Dropout: The Magnitude of the Problem* (Portland, Oregon: Northwest Regional Educational Laboratory, Sept., 1968), pp. 1-8 and 97-137.

²⁵ 51.7 percent for males and 63.3 percent for females.

TABLE II-22
STATUS OF PINE RIDGE INDIAN LABOR FORCE
BY EDUCATIONAL LEVEL
Persons 25 Years and Over
Percentage Distribution

Educational Level	Employed Full-Time	Employed Part-Time	Unemployed
High (High school or more) . . .	76.3	9.8	13.8
Middle (1-3 years high school) . .	52.4	20.7	26.9
Low (8th grade or less)	42.5	19.1	38.4

Source: Pine Ridge Research Bulletin, (April, 1968), p. 18.

Living Conditions

As could be anticipated by looking at the income statistics, living conditions for most of the Indians on the reservations can charitably be classified as dismal. The most obvious reflection of the low incomes can be found in their housing. The data in Table II-23 indicates the condition of reservation housing as it was in 1967.²⁶ For a house to be considered above substandard by the Public Health Service, it must have electricity, running water, indoor plumbing and be of sound construction.

Sanitation is primitive. As Table II-23 shows, on the Cheyenne River and Crow Creek Reservations more than half the homes obtain their water from unsafe sources. Table II-24 reveals that running water is a privilege enjoyed in only a minority of homes. Most Indians obtain their water from rivers, creeks, or shallow wells. This water, for the most part, is stored in open containers until needed.

Waste disposal is handled in the most primitive of fashions. The vast majority of households, on the three reservations for which data is available, dispose of their garbage by either spreading it on the ground or pouring it into open trenches. Community waste disposal systems range from inadequate to non-existent.

²⁶ There has been great improvements in Indian housing since then as indicated in Chapter V. But conditions are still bad as can be seen from the studies of the Kyle & Wanblee communities cited below.

TABLE II-23
LIVING CONDITIONS IN INDIAN HOMES: 1967

	Cheyenne River	Crow Creek	Lower Brule	Pine Ridge	Rosebud
Number of homes ^a	312	399	124	1,900	NA
Number of substandard homes ^a	281	287	58	1,140	NA
% of all homes classified as substandard ^a	97	72	47	60	NA
% of all homes disposing of garbage on premises ^b	84	NA	NA	70	74
% of all homes obtaining water from unsafe sources ^b	53	50	40	39	21
% of all homes having unsatisfactory privies ^b	77	41	66	48	48

NA — Data not available

^a Data obtained from the ICAP Office, University of South Dakota.

^b Data obtained from Mizen, *Federal Facilities for Indians*, op. cit.

TABLE II-24
UTILITIES IN INDIAN RESERVATION HOMES: 1967

Percentage of All Homes With:	Cheyenne River	Crow Creek	Lower Brule	Pine Ridge	Rosebud
a. Running Water	15.7	15	NA	20	26
b. Electricity	35	NA	NA	12	20
c. Telephone	5	15	40	3	10
d. TV	3	75	75	5	90
e. Radio	100	17	35	25	26
f. Satisfactory sanitation facilities	16			26	

Source: Mizen, op. cit.

Human waste is often disposed in the same manner as is garbage. As Table II-23 shows, large numbers of Indian families use unsatisfactory privies. What the statistics fail to show is that a significant number of these households use no privies at all. Table II-24 indicates that only a minority of Indian homes are equipped with total sanitation facilities that are above Public Health Service standards of minimum adequacy.

The statistics do not reveal the true magnitude of the housing problem. There are still numbers of Indian families enduring the South Dakota winters in tents and abandoned car bodies. A person driving off the main reservation roads is likely to find that Indian "houses" are sheet metal and tarpaper hovels.

Although public utilities are available to almost all Indian families, most are financially unable to take advantage of them. The data on utilities is presented in Table 11-24. While electricity is universally available on the reservations, only a small number of Indian homes are users. Radio communications are also available to all Indian families and most have radios. Television is not available to many Indians due to the remoteness of some of the reservations from sending stations. Even when television is available, many families have neither sufficient income nor credit to purchase a receiver.

The following paragraphs taken from community studies of Kyle and Wanblee on the Pine Ridge Reservation confirm the points made above.

Communications is still a major problem in Kyle. Only a handful of families have a telephone. There is no 24-hour public telephone service in the community. The only public telephone is located in the Kyle Cafe which closes at 7:30 p.m.

Nearly every household (in Kyle) with electricity (50 percent of the Indians and 88 percent of the White households) has a television set. Families without electricity have at least one transistor radio. The favorite radio station of the teenagers is KIMM (Rapid City) during the day and KOMA (Oklahoma City) at night. Adults listen mostly to KEZU (Rapid City), and KCSR (Chadron) and KOBH (Hot Springs).

Because of the lack of water facilities and inadequate housing and the fact that garbage collection is infrequent (once a week in "the housing"), sanitation presents serious problems in Kyle. Only 29.6 percent of the Indian homes have water piped into the house. This is in contrast to 82.3 percent of the White homes. 26.1 percent of the Indian households have a well with a pump in the yard. The remainder (44.3%) must haul their water from neighbor's houses or from creeks or springs. The Full Blood households especially are lacking adequate water supplies: only 18.8 percent have water piped into the house in comparison to 42.5 percent of Mixed Blood households.

Communications is a major problem in Wanblee. Few families have telephones and there is no public telephone service in the community. The only telephone available for any public use is located in the BIA school and is actually intended for emergency use only during hours in which the school is in operation.

The majority of households with electricity (55 percent of the Indian and 96.3 percent of the Non-Indian households) have television sets. Families without electricity have transistor radios and listen to Rapid City, Chadron, and Hot Springs radio stations.

Health and sanitation problems are serious in the community of Wanblee. Only 19.4 percent of the Indian households have water piped into the home. This is in contrast to 85.2 percent of the Non-Indian homes. 39.6 percent of the Indian households have a pump in the yard, 35.5 percent receive their water from neighbors' houses or wells and 4.3 percent haul their water from a creek or a spring. Among Full Bloods, only 8.3 percent have water piped into their homes in contrast to 36.4 percent of the Mixed Blood households. Wanblee also does not have a laundromat which is available in some of the other communities.²⁷

These studies were done in April and September, 1968 respectively.

The conclusions from the above analysis are as follows. First, due to an insufficient income most Indians on South Dakota reservations live in inadequate homes. Not only is this deficiency widespread but a large percentage of the homes are nowhere near the adequate level. Second, sanitation in most Indian homes is practically non-existent. There is neither sufficient private or public facilities for the disposal of waste. Third, most Indians do not enjoy even the most basic of household amenities and utilities.

²⁷ Levi Mesteth, "Kyle Community," *Pine Ridge Research Bulletin*, April, 1968, p. 26. Maurice Miller, "Wanblee Community," *Pine Ridge Research Bulletin*, October, 1958, p. 26.

Health

The presence of low incomes, sub-standard housing, inadequate waste disposal facilities, the isolation of many Indian families, and harsh winters creates severe health problems on the South Dakota reservations. Indian health is the province of the Public Health Service, which maintains hospitals on all but the Crow Creek and Lower Brule Reservations. The last two reservations are serviced out of Pierre and Chamberlain. There are Public Health Service Indian Health Stations at several locations on all reservations. Hospital care for Indian families at federal expense is available at most hospitals near the reservations.

Indians living on the five closed reservations have fewer medical services available to them than do those living near the urban centers. Table II-25 gives a breakdown on the availability of health services to those living in the Indian counties of the West Central Region. If the more populated counties with large non-Indian populations of Tripp and Gregory were excluded, the deficiency would be even more acute.

TABLE II-25
HEALTH FACILITIES FOR SELECTED INDIAN COUNTIES
(1965)

County	Physicians	Dentists	Hospital Beds	Nursing Home Beds
Corson	2	0	31	0
Ziebach	0	0	0	0
Dewey	0	0	33	0
Shannon	0	0	58	0
Washabaugh	0	0	0	0
Bennett	2	0	30	0
Mellette	1	0	0	24
Todd	0	0	52	0
Tripp	4	2	31	47
Gregory	5	2	27	52
Lyman	2	0	0	0
Buffalo	0	0	0	0
Hyde	0	1	0	0
Total	16	5	262	123

Source: Cooperative Extension Service, South Dakota State University and U.S. Department of Agriculture; **Sane Guidelines for Organizing Economic Development Efforts in South Dakota Along Trade Area Lines**, p. 12.

The fact remains that quality medical care is available to the Indians usually at no cost. The major problem is getting the Indians to the sources of medical attention. Most reservation Indians live more than 25 miles from the nearest health facility. Distances of over 50 miles are not uncommon. In most cases the distance is magnified by the lack of all-weather roads. Private transportation to health centers must be depended upon since there are no ambulances or public transportation systems. Since most Indians do not own cars and since many privately owned cars are dilapidated and unreliable, the need for improved communications is obvious.

The following series of tables expresses the health conditions among South Dakota's Indians. Table II-26 shows a birth rate for South Dakota Indians twice the national birth rate. In addition, it is revealed that while the total U.S. birth rate has declined (from 24.3 to 21.7) the Indian rate has risen (from 45.7 to 50.5) in the period 1958-60.

TABLE II-26
BIRTH RATES FOR INDIANS
 State of South Dakota
 Indian 23 Federal Reservation States and All Races, U.S.
 By Specified Periods
 (Birth Rates per 1,000 Population)

3-Year Periods	Indian		All Races U.S.*
	State of South Dakota	23 Fed. Res. States	
1962-64 .	50.5	N.A.	21.7
1961-63 .	49.9	42.2	22.4
1960-62 .	49.5	42.1	23.3
1959-61 .	48.5	41.9	23.7
1958-60 .	45.7	40.9	24.3

* Single year rate centered at the midpoint year.

N.A. — Not Available

South Dakota State Data for Entire Indian Population.

Source: Indian — Official N.V.S.D. Tabulations and 1964 Edition of "Indian Health Highlights."
 All Races, U.S. — "NEW TRENDS," 1964 Edition.

Most experts agree that the decline in the U.S. birth rate is due to the increasing use and efficiency of contraceptive devices and improved education. Family planning does not appear to be widely practiced or accepted on the reservations. The increase in the Indian birth rate is primarily due to the improvements in Indian health and housing which has increased the number of live births and complete-term pregnancies.

Table II-27 shows rather dramatic reductions in infant mortality rates among Indians. Even so, the South Dakota rate is above the Indian average and over twice the total U.S. average. When one looks at Table II-27 he notes that the disparity is primarily the result of the much higher death rates for Indian infants 28 days through 11 months old. The mortality rate for this age group is almost 5 times the national average. From birth through the first six days, the Indian infant mortality figures are quite compatible with the U.S. average.

Table II-27
INDIAN INFANT DEATHS PER 1,000 LIVE BIRTHS BY AGE GROUP
State of South Dakota

23 Federal Reservation States and All Races, U.S.

By Specified Periods
(1964)

TOTAL	Indian State of South Dakota *				23 Fed. Res. States 1959-61	All Races U.S. 1961
	1961-63	1960-62	1959-61	1958-60		
INFANT DEATHS	52.2	61.8	65.2	71.8	45.6	25.3
Under One Day ..	10.5	13.8	13.0	11.3	10.2	10.3
1-6 Days	6.4	7.5	9.0	10.7	6.7	6.2
7-27 Days	3.3	3.9	5.6	6.5	4.2	1.9
28 Days Through . 11 Months	32.0	36.6	37.5	43.2	28.9	6.9

*South Dakota State Data for Entire Indian Population

Source: Official N.V.S.D. Tabulations and 1964 Edition of "Indian Health Highlights".

It appears that the problem of infant mortality is one of inadequate home care after the child leaves the hospital. When one uses Table II-28 to compare the causes of death among Indian and non-Indian infants, this statement appears to be confirmed. The much higher death rates due to respiratory, digestive, infective, and parasitic diseases are probably due to the poor living conditions in many Indian homes.

TABLE II-28
FIVE LEADING CAUSES OF NEONATAL AND POSTNEONATAL DEATHS FOR INDIANS
 State of South Dakota
 23 Federal Reservation States and All Races, U.S.
 By Specified Periods
 (Death Rates per 1,000 Live Births)

	Indian State of South Dakota *		23 Fed. Res. States 1959-61	All Races U.S. 1960
	1961-63	1960-62		
Under 28 Days (Neonatal)				
All Causes	20.2	25.2	19.2	18.7
Immaturity	5.6	7.8	4.0	4.5
Postnatal Asphyxia & Atelectasis	2.6	3.6	3.0	4.5
Congenital Malformations	1.8	2.3	2.3	2.3
Birth Injuries	1.0	1.0	2.3	2.4
Pneumonia of Newborn	1.0	2.3	1.3	0.8
28 Days - 11 Months (Postneonatal)				
All Causes	32.0	36.6	26.4	7.3
Respiratory Diseases	11.5	16.6	9.4	2.8
Digestive Diseases	5.4	5.5	5.6	0.7
Infective & Parasitic Diseases	3.8	3.9	2.1	0.3
Accidents	2.8	1.6	1.6	0.8
Congenital Malformations	1.8	1.6	1.6	1.3

* Rate based on 3 or less infant deaths in the 2-year period.
 South Dakota State Data for Entire Indian Population.

Source: Official N.V.S.D. Tabulations and 1964 Edition of "Indian Health Highlights".

The high birth rates among Indians may also be due to cultural tradition and economic necessity. In most underdeveloped cultures, a large measure of status is associated with a large family. This may be true for the Indians also. Large families also provide a measure of economic security. Not only are there a large number of potential contributors to the family income stream, but a large number of children serve as potential homes for Indian parents when they reach old age. For many, if not most, this is their only form of social security.

The death rates by causes for South Dakota Indians, all Indians, and the total U.S. population are presented in Table II-29. Some striking comparisons can be made. The Indian death rate due to accidents (including motor vehicles) is over four times the national average; yet, the rate for heart disease is only slightly over half the U.S. average. The average for diseases associated with poor living conditions is in all cases much higher for Indians in South

TABLE II-29
INDIAN DEATH RATES FOR SELECTED CAUSES OF DEATH
State of South Dakota
23 Federal Reservation States and All Races, U.S.
By Specified Periods
(Rates per 100,000 Population)

	Indian								23 Fed. Res. States 1959-61	All Races 1960	
	State of South Dakota*										
	1961-63 Rank	Rate	1960-62 Rank	Rate	1959-61 Rank	Rate	1958-60 Rank	Rate			
ALL CAUSES OF DEATH		1,251.6		1,305.9		1,338.1		1,302.3	899.9	954.7	
All Accidents	1	227.3	1	219.8	1	224.5	1	217.1	1	155.8	52.3
Motor Vehicle Accidents		114.9		126.0		140.6		133.1		---	---
Other Accidents		112.4		93.8		83.9		84.0		---	---
Heart Diseases	2	210.7	2	195.4	2	191.0	2	182.2	2	141.6	369.0
Malignant Neoplasms	3	98.3		109.3	5	113.5	4	113.7	4	69.8	149.2
Pneumonia & Influenza (Ex. NB)	4	97.1	3	136.2	3	138.1	3	137.0	3	76.6	37.3
Certain Diseases of Early Infancy ¹	5	85.6	5	106.7	4	116.1	5	109.8	5	67.5	37.4
Vascular Lesions Affecting the CNS	6	47.3	6	63.0	6	64.5	7	58.1	6	50.1	108.0
Tuberculosis, All Forms	7	43.4	7	39.8	7	46.5	6	59.4	8	25.1	5.9
Diabetes Mellitus	8	39.6	8	29.6	10	24.5	9	27.1	11	16.0	16.7
Gastritis, Duodenitis, Enteritis, and Colitis (Ex. Diarrhea of NB)	9	26.8	9	29.6	8	38.7	8	49.1	7	36.5	4.4
Congenital Malformations	10	21.7	10	23.1	9	25.8	10	27.1	10	20.7	12.2
Homicide	11	14.0	11	19.3	11	19.4	11	19.4	12	14.3	4.7
Suicide	12	11.5	12	9.0	12	11.6	12	11.6		---	---

¹ Includes immaturity unqualified, postnatal asphyxia and atelectosis, birth injuries, pneumonia and diarrhea of newborn.

*South Dakota State Data for Entire Indian Population.

Source: Official N.V.S.D. Tabulations and 1964 Edition of "Indian Health Highlights".

Dakota than for the entire U.S. population. (For example, compare the figures for pneumonia, influenza, and tuberculosis.) What is interesting is that the death rates for South Dakota Indians are above the rates for all U.S. Indians in every case in the period 1959-61.

The incidence of selected diseases among South Dakota Indians, and the total Indian and U.S. populations are given in Table II-30. While the disease rate for South Dakota Indians for all diseases is higher than the U.S. averages, the disparity again is greatest for diseases associated with poor living conditions.

This statement is born out by the high incidence of Otitis Media (middle ear infection). This disease has been eliminated elsewhere in the United States for over 30 years. The presence of Otitis Media is looked upon by health authorities as a sign of primitive living conditions as it always disappears as living conditions improve. In almost all cases, the incidences are higher for South Dakota Indians than for all U.S. Indians. This suggests that living conditions on South Dakota reservations are below standard even when compared to other reservations.

Not included in these statistics is data on mental illness. While data is difficult to accumulate on all mental disorders the suicide and alcoholism rates do indicate a major mental health problem. While national statistics on attempted suicides are not available, James E. Willis found that on the Pine Ridge Reservation the rate of attempted suicides was twice the rate found in studies done among non-Indians.^{27a} Data conveyed to these authors by social workers on the reservations indicate that around 80 percent of all reservation Indians have a problem with alcohol.

While alcoholism is widespread, particularly among males, suicide attempts are more limited among the population. Willis found that the rate was highest among young people (16-29), particularly single females. In both suicide and alcohol problems the main cause appears to be a culture conflict with which the Indian is unable to cope. The Indian has through the education system, the activities of the government, and contacts with non-Indians been degraded; and as a result he feels inadequate and unimportant. His response to the aggression which arises from these feelings is to escape either through alcohol, somatic complaints, withdrawal, or suicide.

^{27a} "Suicide and Self-Destructive Behavior in the Oglala Sioux: Some Clinical Aspects and Community Approaches", *Pine Ridge Research Bulletin*, (January, 1968) p. 15.

TABLE II-30
REPORTED INCIDENCE OF SELECTED NOTIFIABLE DISEASES FOR INDIANS
 State of South Dakota
 23 Federal Reservation States and All Races, U. S.
 By Specified Periods
 (Rates per 100,000 Population)

	Indian						23 Fed. Res. States, 1964		All Races U.S., 1964
	State of South Dakota ⁵		State of South Dakota ⁵		State of South Dakota ⁵		Rank	Rate	Rate
	1962-64	Rate	1961-63	Rate	1960-62	Rate	Rank	Rate	Rate
Otitis Media 1/	1	7,993.9	1	5,267.1	2	2,691.3	1	6,772.9	4/
Pneumonia, Excluding Newborn	2	4,700.5	2	3,944.6	1	3,408.8	3	4,178.7	4/
Gastro-Enteritis ^{2/}	3	4,108.9	3	3,487.3	3	2,411.1	2	6,194.9	4/
Influenza 3/	4	1,886.5	4	1,832.2	7	423.4	6	978.1	4/
Gonorrhea	5	1,485.6	5	1,405.7	4	1,433.4	7	826.4	157.1
Strep. Throat - Scarlet Fever	6	1,261.7	7	623.6	8	326.4	5	2,080.3	210.2
Measles	7	1,140.7	6	802.2	5	726.7	8	763.4	239.4
Tuberculosis, All Forms	8	461.4	8	440.3	6	511.2	12	220.1	4/
Mumps	9	453.9	9	434.2	10	230.9	11	355.1	183.8
Chickenpox	10	417.5	10	344.9	9	294.1	10	612.1	165.3
Hepatitis	11	363.1	12	275.6	11	209.4	13	170.7	19.7
Dysentery, All Forms	12	352.5	11	314.1	12	186.2	9	657.3	4/
Syphilis	13	180.0	13	120.1	14	103.2	14	129.0	59.7
Diarrhea of Newborn	14	60.5	14	81.6	15	95.5	17	43.3	4/
Salmonellosis	15	39.3	16	9.2	16	4.6	16	43.6	9.0
Whooping Cough	16	37.8	15	33.9	13	149.3	18	37.9	6.8

¹ Recording began in July 1961.

² Includes Diarrhea beginning July 1961.

³ Reporting required July 1961, voluntarily counted previously.

⁴ Comparable data not available.

⁵ State of South Dakota data is based on reports submitted on a monthly basis by six PHS hospitals, one PHS health center, and two PHS school health nurses from a total of nine service points and representing a population coverage of approximately 22,800.

Source: PHS Reports (PHS-2692) and 1964 "Illness Among Indians".

These health conditions add up to a life expectancy for South Dakota Indians well below the life expectancy for the entire U.S. population. This is shown in the figures presented in Table II-31. Even though some improvement has been made in recent years, the average South Dakota Indian can expect to live 20 years less than the average American (43.5 years to 63.3 years). When only those who survive their fifth birthday are counted thus eliminating the effect of infant mortality, the difference is still 11 years (57.3 to 68.1 years).

TABLE II-31
AVERAGE AGE AT DEATH
Indian* And All Races, U.S.
1955 - 1963

Year	Indian*		All Races, U. S.	
	Average Age at Death	Average Age at Death for those who survive fifth birthday	Average Age at Death	Average Age at Death for those who survive fifth birthday
1955	38.1 years	54.8 years	61.0 years	66.3 years
1956	N.A.	N.A.	N.A.	N.A.
1957	40.3 years	56.6 years	61.9 years	67.1 years
1958	39.5 years	56.4 years	62.1 years	67.4 years
1959	41.8 years	56.1 years	62.3 years	67.5 years
1960	41.5 years	56.8 years	62.6 years	67.6 years
1961	42.5 years	56.5 years	62.9 years	67.8 years
1962	43.4 years	56.7 years	63.4 years	68.0 years
1963	43.5 years	57.3 years	63.3 years	68.1 years

Life Span Increase Between 1955 and 1963

Indian 14%

All Races 4%

*Indian - 23 Federal Reservation States

N.A. - Not Available

Source: "Indian Health Highlights", First to Sixth and Unpublished Editions.

CHAPTER III

RESERVATION MARKETING SYSTEMS
IN NORTH DAKOTA AND SOUTH DAKOTA*

This chapter presents the results of a comparative study of marketing establishments serving the residents of Indian reservations in North Dakota and South Dakota. Marketing is an important element in the development of areas of low income and low productivity. The presence of an adequate marketing system makes possible the fullest utilization of the assets and productive capability which such an area already has. It also aids in the development of the entrepreneurs and managers which are necessary if an underdeveloped area is to organize its resources, wants, and capacities into a vital, growing economic entity.²⁸

The purpose of this study was (1) to gain some indication of the adequacy of the marketing systems on Indian reservations in North Dakota and South Dakota; and (2) to determine how goods and services available to residents of these reservations compare with those available to residents of other rural markets of similar size and population density.

The adequacy of the marketing system that is being measured is the ability of the marketing system to provide the goods and services necessary to satisfy the needs of the people which it serves. This study used a comparison of per capita sales, sales per establishment, and the ratio of establishments to population as indicators of this ability. It was recognized that the thinly populated, isolated reservations have special marketing problems which are not present in more thickly populated areas. Therefore, the marketing systems which serve the reservations were compared with the marketing systems in other thinly populated, isolated areas to determine if any marketing inadequacies found to exist are due to these characteristics or to other factors such as a lack of credit facilities or cultural traits.

The data used for comparisons was taken from the **Census of Business, 1963: Volume Two, Retail Trade—Area Statistics** and **Volume Seven, Selected Services—Area Statistics**. These sources

²⁸Peter F. Drucker, "Marketing and Economic Development," *Journal of Marketing*, Vol. 22, No. 3 (January, 1958), pp. 253, 255.

*This chapter was prepared by Phillip Fisher, Graduate Assistant in Statistics, School of Business, University of South Dakota in partial fulfillment of the requirements for completion of the course in Economic Policy.

provided a comparison of the number and sales of several types of retail and service establishments.

Since the census data was available by political subdivisions, the unit of measurement for this study was the county. Twenty-two counties were selected from all the counties in North Dakota and South Dakota. These counties were selected on the basis of the following criteria:

1. All had a population density of four or less per square mile.
2. None contained or was near a city of 2,500 or more population. Eighteen miles was the shortest distance allowed.

The twenty-two counties selected included fourteen from South Dakota and eight from North Dakota. These counties were divided into four groups for comparison purposes.

One group (Group 1) was composed of those counties having a small Indian population. There were fourteen counties in this group, seven from each state. The percentage of Indians in the population of these counties ranged from 0 percent to 10.1 percent.

Another group (Group 2) was made up of five counties which had a percentage of Indians in the population which ranged from 30 percent to 45.5 percent. One of these counties was in North Dakota and included part of the Standing Rock Reservation. Four of the counties were in South Dakota, one located on the Rosebud Reservation, one on the Pine Ridge Reservation, and two on the Cheyenne River Reservation.

A third group (Group 3) was composed of three counties in South Dakota which contained Indian populations ranging from 50.5 percent to 84 percent of the total. These counties included parts of the Crow Creek, Pine Ridge, and Rosebud reservations.²⁹

A fourth group (Group 1A) was drawn after a comparison of median household incomes reported in the **City and County Data Book, 1967**, prepared by the U. S. Bureau of the Census, showed that the median household income in the Group 1 counties was \$3,745, \$3,196 in the Group 2 counties and only \$2,232 in the Group 3 counties. Since differences in marketing data relating to

²⁹ The percentage of Indians in the total population is based on data from the U.S. Census of Population, 1960.

these groups could be attributed entirely to the disparity in income levels, this fourth group was selected to provide a comparison which held income constant and hence nullified its effect on marketing data. Table III-1 shows the counties included in each group.

TABLE III-1
COUNTIES SELECTED FOR EACH GROUP

Group 1	Group 1A
Bennett, South Dakota	Bennett, South Dakota
Haakon, South Dakota	Hyde, South Dakota
Harding, South Dakota	Jones, South Dakota
Hyde, South Dakota	Golden Valley, North Dakota
Jackson, South Dakota	Logan, North Dakota
Jones, South Dakota	Sheridan, North Dakota
Perkins, South Dakota	
Bowman, North Dakota	Group 2
Dunn, North Dakota	Dewey, South Dakota
Golden Valley, North Dakota	Mellette, South Dakota
Grant, North Dakota	Washabaugh, South Dakota
Logan, North Dakota	Ziebach, South Dakota
Sheridan, North Dakota	Sioux, North Dakota
Slope, North Dakota	
	Group 3
	Buffalo, South Dakota
	Shannon, South Dakota
	Todd, South Dakota

Group 1A counties were selected from the counties included in Group 1. It consisted of six counties which had median household incomes similar in range and aggregate median to the counties in Group 2. Table III-2 summarizes income data for the four groups.

TABLE III-2
**RANGES OF MEDIAN HOUSEHOLD INCOME AND AGGREGATE
MEDIAN HOUSEHOLD INCOME FOR SELECTED GROUPS OF COUNTIES**

Group	Range	Median
Group 1	\$2,385 to \$5,344	\$3,745
Group 1A	\$2,385 to \$3,905	\$3,114
Group 2	\$2,495 to \$3,988	\$3,196
Group 3	\$1,967 to \$2,567	\$2,232

Source: City and County Data Book, 1967, United States Bureau of the Census.

Retail Establishments

The comparison between retail establishments in reservation and non-reservation counties showed that reservation counties had fewer stores per capita, and those stores had smaller sales volume. Table III-3 shows the number of retail establishments per 10,000 population. Group 1 and the low income counties in Group 1 which constituted Group 1A had 112 and 118 establishments per 10,000 population respectively. This compared to 86 in Group 2 and 44 in Group 3. Table III-3 also gives the average sales per establishment. Establishments in Group 1 had average sales of \$88,300 while average sales of Group 1A establishments were \$79,000. Comparative figures for Group 2 were \$60,700 and for Group 3 were \$67,700.

TABLE III-3

RETAIL ESTABLISHMENTS AND RETAIL SALES IN SELECTED COUNTIES

Group	Establishments per 10,000 population	Sales per Establishment	Per capita Sales
Group 1	112	\$88,300	\$980
Group 1A	118	\$79,000	\$931
Group 2	86	\$60,700	\$523
Group 3	44	\$67,700	\$299

Source: **United States Census of Business, 1963**, United States Bureau of the Census.

The final column in Table III-3 shows that the amount of retail sales per person in reservation counties was much less than the per capita sales in non-reservation counties. Group 1 counties had retail sales of \$980 per person in the county, and the lower income counties (those in Group 1A) had sales of \$931 per person. Group 2 counties had per capita retail sales of \$523. Group 3 counties had per capita retail sales of \$299.

The lower sales figures for reservation counties does not seem to be accounted for by income differences alone. The differences between figures for Group 1A and figures for Group 2 were much greater than the differences between those for Group 1 and Group 1A.

These figures indicate that residents of reservation counties may not be able to satisfy their needs in local establishments and are going outside the county to buy goods to a greater extent than

the residents of the non-reservation counties included in the study. This conclusion is supported by a community study made on the Pine Ridge Reservation.³⁰ The researcher reported that residents of the community went outside the county to buy home furnishings, clothing, and many other items. Many made outside shopping trips each payday.

Table III-4 shows the number of establishments per 10,000 population for various Standard Industrial Classification groups of retail stores.³¹ The largest difference, between the non-reservation and reservation counties is in the establishments included in the Standard Industrial Classification major group 52 (SIC 52; Lumber, Building Materials, Hardware, and Farm Equipment Dealers). The sales of these establishments are dependent primarily upon construction of buildings and agricultural operations. The lack of such establishments on Indian reservations indicates little activity in these areas. While many Indians own land, a survey taken on the Pine Ridge Reservation found that 82.7 percent of those Indians who own land leased all or a part of it.³² This would indicate that much of the land is used by ranchers and farmers from other counties who would be likely to purchase farming equipment in their home counties.

Table III-4 shows that reservation counties had fewer establishments than non-reservation counties in groups SIC 54 (Food Stores), SIC 55, except 554 (Automotive Dealers), SIC 56 (Apparel and Accessories Stores), SIC 57 (Furniture, Home Furnishings and Equipments Stores), SIC 58 (Eating and Drinking Places), and SIC 591 (Drug and Proprietary Stores). The differences between Groups 1A and 2 are larger than the differences between Groups 1 and 1A in every classification except SIC 55. This indicates that these differences are not due entirely to

³⁰ Levi Metseth, "Community Portrait No. 1," *Pine Ridge Research Bulletin*, No. 2 (April, 1958), p. 35.

³¹ Standard Industrial Classifications SIC are groupings of establishments made on the basis of the same or similar lines of economic activity. The classifications are made by a committee of officials from several federal bureaus under the direction of the Chairman of the Bureau of the Budget. They are created to promote uniformity and comparability in the presentation of statistical data collected by various private and government organizations. For a complete list of the types of establishments included in each group see the *Standard Industrial Classification Manual, 1967*; United States Bureau of the Budget.

³² Carl Mindell, "Income Sources of Pine Ridge Indians," *Pine Ridge Research Bulletin* No. 3 (July, 1968), p. 11.

TABLE III-4

NUMBER OF ESTABLISHMENTS PER 10,000 POPULATION IN SELECTED COUNTIES

Classification of Establishment	Group 1	Group 1A	Group 2	Group 3
SIC 52 (Lumber, Building Materials, Hardware, Farm Equipment Dealers)	21	23	8	1
SIC 53 (General Merchandise Stores)	4	3	10	9
(Non-Store Retailers)	2	4	0	0
SIC 54 (Food Stores)	15	17	14	7
SIC 55, except 554 (Automotive Dealers)	8	7	7	1
SIC 554 (Gasoline Service Stations)	14	14	15	11
SIC 56 (Apparel and Accessories Stores)	5	6	1	0
SIC 57 (Furniture, Home Furnishings and Equipment Stores)	3	4	1	0
SIC 58 (Eating and Drinking Places)	27	26	19	8
SIC 591 (Drug and Proprietary Stores)	3	4	1	2
SIC 59, except 591 (Other Retailers)	8	10	10	5

Source: **United States Census of Business, 1963**, United States Bureau of the Census.

differences in income, but rather to some other factor or factors which distinguish reservation counties from the selected non-reservation counties.

The number of establishments in SIC 554 show that there is little difference in the number of gas stations in reservation and non-reservation counties. There is, however, a significant difference in the number of general merchandise stores in reservation and non-reservation counties. Groups 2 and 3 had ten and nine of these respectively per 10,000 population compared to four in Group 1 and three in Group 1A.

The community study referred to previously described the three retail establishments in the community which served approximately 600 persons. One establishment sold groceries, meat, gasoline, tires, auto parts, and clothing. Another, described as a

cate, served meals, sold groceries and gasoline, and served as a community library and recreation center. The third, which was called a gas station, sold gasoline, groceries, and auto parts and repaired automobiles.³³ This report supports figures in Table III-4 which indicate that the antiquated general store is more prevalent in reservation counties than in the selected non-reservation counties.

A comparison of per capita retail sales for some of the retail classifications provides a clearer picture of the inadequacy of the reservation marketing systems. Table III-5 gives the per capita retail sales for six types of retail establishments. There are differences in SIC 52, SIC 55, and SIC 58 between Group 1A and Group 2 which are greater than differences between Groups 1 and 1A. This indicates that the lower sales for these types of establishments in reservation counties is not due entirely to differences in income levels. Per capita spending in food stores (SIC 54) was about the same for Groups 1, 1A and 2, but was much lower for Group 3. This may have been due to the greater sales for general merchandise stores (SIC 53) in Group 3 counties.

TABLE III-5

PER CAPITA RETAIL SALES IN SELECTED COUNTIES

Classification of Establishment	Group 1	Group 1A	Group 2	Group 3
SIC 52 (Lumber, Building Materials, Hardware, Farm Equip. Dealers)	\$272	\$256	* \$ 50 (3)	* (0)
SIC 53 (General Merchandise Stores)	* \$ 51 (5)	* (0)	* 50 (3)	* \$80 (2)
SIC 54 (Food Stores)	* \$209 (11)	* \$187 (5)	* \$205 (3)	* \$83 (2)
SIC 55, except 554 (Automotive Dealers)	* \$162 (8)	* \$181 (2)	\$ 57	* (0)
SIC 554 (Gasoline Service Stations)	* \$111 (10)	* \$ 89 (5)	* \$ 80 (3)	\$95
SIC 58 (Eating and Drinking Places)	\$ 79	\$ 73	\$ 40	* \$35 (2)

Source: United States Census of Business, 1963, United States Bureau of the Census.

*Census data did not include sales of establishments if there were fewer than three of a classification in a county. Therefore, sales for all counties were not available in some classifications. The number of counties included in the figures given is noted in parentheses.

³³ Metseth, *op. cit.*, p. 35.

Service Establishments

A comparison of the number and sales of service establishments shows that reservation counties had fewer establishments, and that these had somewhat smaller sales than the average establishment in the non-reservation counties. Table III-6 shows that the number of service establishments per 10,000 population in Group 2 is much lower than either Group 1 or Group 1A, and that there are even fewer establishments per 10,000 population in the Group 3 counties. Table III-6 also shows that average sales per service establishment were greater for the non-reservation counties than for reservation counties. The low income, non-reservation counties of Group 1A did have less sales per establishment than did the reservation counties of Group 2, but Group 2 had a much higher concentration of these establishments.

TABLE III-6

SERVICE ESTABLISHMENTS AND SERVICE RECEIPTS IN SELECTED COUNTIES

Group	Establishments per 10,000 population	Receipts per Establishment	Per capita Receipts
Group 1	50	\$14,400	\$77
Group 1A	44	\$ 9,600	\$42
Group 2	26	\$11,800	\$31
Group 3	17	\$ 8,200	\$14

Source: United States Census of Business, 1963, United States Bureau of the Census.

The final column of Table III-6 gives the per capita receipts for service establishments. The non-reservation counties had greater per capita receipts than the reservation counties. As with retail sales, there was a negative correlation between the percentage of Indians in the population and the amount of per capita service receipts. The difference between the Group 1A average and the Group 2 average indicates that the correlation was not due entirely to differences in income.

Table III-7 shows the number of establishments per 10,000 population for various Standard Industrial Classification groups of service establishments. There was a difference in nearly every classification with the non-reservation counties having more establishments.

TABLE II-7

NUMBER OF ESTABLISHMENTS PER 10,000 POPULATION IN SELECTED COUNTIES

Classification of Establishment	Group 1	Group 1A	Group 2	Group 3
SIC 70, except 702 and 704 (Hotels, Motels, and Tourist Camps)	12	10	6	5
SIC 72 (Personal Services)	15	16	2	4
SIC 73 (Miscellaneous Business Services)	1	0	0	2
SIC 75 (Automobile Repair, Automobile Services and Garages)	6	4	5	2
SIC 76 (Miscellaneous Repair Services)	9	7	6	3
SIC 78 (Motion Pictures)	2	2	1	1
SIC 79 (Amusement and Recreational Services except Motion Pictures)	5	4	5	1

Source: United States Census of Business, 1963, United States Bureau of the Census.

The greatest disparity was in personal service establishments with Group 1 having fifteen per 10,000 population, Group 1A had sixteen, Group 2 had two and Group 3 had four. There was also a marked disparity in the number of hotels and motels in the different groups; although, none of the counties in the study were near resort or recreation areas. The non-reservation counties had substantially more per 10,000 population in this category than the reservation counties.

Conclusions

While low population density and isolation present obstacles to develop marketing systems, the problems of the reservations cannot be attributed entirely to these factors. The non-reservation counties chosen for inclusion in this study were also selected for their low population density and isolation. Therefore, the great differences in the marketing data compared must be due to other factors.

The low income of residents of the reservations is undoubtedly a factor in the disparity between the goods and services available to them and those available to the resident of the non-reservation counties. The comparisons made between Group 1A (low income, non-reservation counties) and Group 2 (reservation counties with income levels comparable to Group 1A counties), however, indicate that low income alone does not explain these disparities.

This research indicates that the Indian reservations studied have marketing systems which are not developed to their full potential, and that this condition is not due entirely to low population density, isolation, or low income level. Other causes must be identified and rectified if these marketing systems are to help the reservations achieve a higher level of economic development.

One possible cause of underdeveloped marketing systems on the reservations may be the lack of local sources of capital necessary to start and operate a business. Local banks in the non-reservation counties not only provide credit to businessmen, but also provide information and guidance to their clients. Similar sources of capital and expertise must be made available to reservation residents to enable them to develop their own enterprises.

Another factor in this problem may be the cultural differences between the residents of the non-reservation counties and the Indians on the reservations. It is logical that a young man who is the son of a merchant is more likely to consider opening a store than is the young Indian who may view merchants with some distrust and distaste. If the Indian culture is not conducive to entrepreneurship the development of reservation marketing systems may have to be a cooperative, tribal undertaking.

CHAPTER IV

COSTS OF POVERTY

Purpose

Thus far the authors have demonstrated that poverty in an acute form does exist in the Indian population of South Dakota. The purpose of this section of the study is to determine the cost of this problem to the State of South Dakota.

Poverty Gap

In an attempt to determine the impact of the existence of this poverty stricken segment within the economy of South Dakota, a twofold approach will be employed. First, an attempt will be made to determine precisely how great the poverty gap is among the Indians. Secondly, once this gap has been imputed, we will attempt to measure the loss in aggregate demand due to the depressed income levels.

The poverty gap may be defined as a differential between the average family income within the poverty group multiplied by the population of the group and the poverty standard income, as defined in Chapter Two, multiplied times the population of the group. The poverty gap computed provides us with the prerequisite aggregate income to raise this economically deprived group to the standard of living envisioned under the poverty standard being employed.

In addition to expressing the essential income to reach the desired standard of living, the poverty gap also expresses the loss to the economy of South Dakota in terms of dollar expenditures. To illustrate this factor one might ask the question what could the taxable retail sales in this region have been had all families maintained at least a \$3,300 per year household income. Had this income been obtained then what would have been the effects of these additional sales upon the region and thus the entire state? Through the computation of the poverty gap presumably the answers to these questions can be determined.

Once the poverty gap has been computed the impact of such a differential must be computed in terms of cost to the economy as an aggregate. This cost may be expressed as a sacrifice in state income. This derived loss in state income will be a multiple of the loss of aggregate demand as measured by the poverty gap.

It is readily apparent that the magnitude of the multiple will bear significantly upon the sacrifice which manifestly is going to be perceived by the state. The following section then will attempt to elucidate on this concept.

The Multiplier ³⁴

In performing research into data which has been used to interpret fluctuations within the economic activities of a region, we readily become aware of the impact of these fluctuations upon the entire economy of the region and its neighboring areas. It is apparent that changes among the various elements of the system as these fluctuations take place lead to multiple effects. With a recognition of these multiple effects, we must then embark upon a study to determine precisely the origin of these variations.

The initial step in our logic pattern in seeking the source of these variations is to embark upon what has been defined as an economic base study. In such a study recognition is granted the basic economic activities and their impact upon the peripheral economic activities. Once we have recognized the relation between the basic economic activities and the peripheral activities, multiple effects will be observed as they are spatially transmitted into purlieus economic activities.

The dimension of the multiplier herein will therefore be encompassed first in a discussion of the local multiplier which recognizes the relationship between the primary or basic activities of a community and its capacity to support the peripheral or service activities of a community. Secondly, we will then recognize the ability for these basic services to effect activities external to the community through the domestic multiplier which embodies to a great extent Keynesian relations.

In this study we are employing the local and domestic multiplier; however, one might also expand the multiplier analysis

³⁴ Those lacking interest in a conceptual understanding of the multiplier may safely skip this section without endangering understanding of the remainder of the study.

to international trade in recognizing the impact of international economic activities upon an economy. This is not the goal which we are seeking here. Thus, such a discussion will not be included.

Local Multiplier

Recognition of the multiplier effect within a local economy was expressed in a statement by Aurousseau in 1921.

It is well known that towns have extraordinary powers of growth. This appears to be due to the relationship between the primary occupations of the townfolk. The primary occupations are those directly connected with the functions of the town. The secondary occupations are those concerned with the maintenance of the well-being of the people engaged in those of a primary nature.³⁵

The terms **primary** and **secondary** as employed by Aurousseau have with the passage of time become renamed **basic** and **service or derivative**. The basic economic activities being defined as the primary economic activity of a community, this normally being agriculture or industry dependent upon the locale. When a new industry is established within a community additional grocery stores, clothing stores, etc. are needed. These activities are the supporting or derivative activities to the primary economy of which the new industry may be a part. As employment rises with the new industry, the increased payroll or income to the community will become consumption expenditures of the new employees and income to the supporting economic activities.

The premise of the point which is being established is that the reason for the existence and expansion of a community lies in the goods and services produced by the basic economic activity. An expansion in these activities leads to an expanded inflow of funds to the community. With this increase in the inflow of funds an expansion in investment expenditures will provide for even greater multiple growth possibilities as well as internal expansion of incomes.

In the 1930's the concept of the basic-service ratio was developed. With the use of this ratio a local employment multiplier may be derived. It can be said to be equal to the basic-service ratio plus unity or

³⁵Aurousseau, M., "The Distribution of Population, A Constructive Problem," 2 *Geographical Review*, p. 574 (1921).

$$\frac{\text{Total Basic Employment (increase in)}}{\text{Total Service Employment (increase in)}} + 1 = \text{Employment multiplier}$$

Intuitively this multiplier tells us that as basic employment is increased, total employment will expand toward a normal equilibrium as expressed by the normal relationship established by the basic-service ratio. As employment rises in the basic industries, the equilibrium is broken establishing a movement towards equilibrium, through changes in basic income and service income. The changes in demand caused by the change in income will cause an inflow or outflow of the factors of production which will return the basic-service relationship to its normal equilibrium. Another way of stating this is that as basic employment changes, total employment will rise by a multiple of the increase in the basic employment.

In Winner, South Dakota, in 1950, Moon King of the University of Nebraska found that the basic-service ratio was equal to 1.328.³⁶ From this we see that the employment multiplier would be equal to 2.328. This tells us that had basic employment been increased by a single unit, total employment would have risen by 2.328.

In this same study King reached the conclusion that normally the employment multiplier (local multiplier) is about 1.4 and would normally lie between 1.3 and 1.5. It was also observed that as the community became larger, the tendency was for the multiplier to become larger which may indicate the tendency towards division and specialization as the economic activities become more complex.

It is evident that the local multiplier could well be used as a dynamic predictive device in community and regional planning. One must, however, point out the existence of certain limitations. The first of these is the determination of a unit of measurement to be employed. Generally, the unit employed is the number of jobs since data of this nature is normally readily available. Another difficulty lies in the separation of the basic and derivative

³⁶University of Nebraska, *The Economic Base and Multiplier*, Business Research Bulletin No. 63, 1958.

economic activities. Normally an established set of standards will be employed and in comparisons, assuming this same standard is employed, the difficulty may be minimized. Finally, there are various exogenous factors which influence the basic-service ratio. The inclusion of these factors is extremely difficult to include in the quantitative structure of the multiplier.

In summary the local multiplier is a summary measure of the supporting capacity of a local community's economy. It shows the causal and functional relationship between the basic economic activities of a community and the supporting service activities.

Domestic Multiplier

In our discussion of the local multiplier we noted that the movement towards equilibrium was a resultant of changes in income. In contrast to the local multiplier the domestic multiplier attempts to determine precisely the effects of the impact of this change in income. In the case of the local multiplier it was nothing more than a causal factor leading to a change in employment. The domestic multiplier we shall observe is a dynamic factor contributing to greater demand and thus production. In fact we find that an externally generated increase or decrease in income will initiate a multiple impact upon the internal economy as well as the purlieus economies.

The basic elements of the domestic multiplier are Keynesian relations.³⁷ In essence it attempts to explain the fact that a given increase in expenditures for either investment or consumption purposes leads to a multiple expansion in income. The value of the multiplier is dependent upon the marginal propensity to consume (i.e., $\Delta C / \Delta Y$, the amount of a given increase in income that will go for consumption expenditures; Δ assumed to mean change in, C meaning consumption expenditures, and Y meaning income). As an increment of income is received, the receiver spends a fraction of this increment for consumption purposes (equal to the marginal propensity to consume) and the recipient of the consumption expenditure in turn will respond a fraction of that which he receives. This process continues and ultimately approaches zero incremental expenditures. Thus, the original increment of income has increased aggregate income each time it has been respent until

³⁷ By Keynesian relations we are referring to those relationships developed by John Maynard Keynes in his **General Theory of Employment, Interest, and Money** published in 1936.

the final aggregate is a multiple of the original increment
Mathematically this can be restated in the following manner.

k = value of multiplier

Y = income

C = consumption expenditures

ΔY = change in income

ΔC = change in consumption

MPC = marginal propensity to consume

MPS = marginal propensity to save

$$MPC + MPS = 1$$

Therefore, in Keynesian economics,

$$Y = C + I$$

$$\therefore \Delta Y = \Delta C + \Delta I$$

$$\Delta C = MPC (\Delta Y)$$

$$\Delta Y = MPC (\Delta Y) + \Delta I$$

$$\Delta Y - MPC \Delta Y = \Delta I$$

$$\Delta Y (1 - MPC) = \Delta I$$

$$\Delta Y = \frac{\Delta I}{(1 - MPC)}$$

$$\frac{\Delta Y}{\Delta I} = \frac{1}{(1 - MPC)} \quad \text{or,}$$

$$k = \frac{1}{(1 - MPC)}$$

To illustrate we might assume that a \$10 increase in income will lead to an addition to consumption expenditures of \$7.50 suggesting that the marginal propensity to consume is equal to 3/4. Suppose that we increase investment expenditures by \$10. Using the multiplier we can see that the total increase in income will be \$40 by multiplying K times the change in investment or,

$$k = \frac{1}{1 - 3/4} = 4 \quad k = \text{multiplier}$$

$$\$10 \times k(4) = \$40$$

This illustration points out vividly the impact of an incremental increase in investment in a community.

In summary, the domestic multiplier measures the impact of an increase in consumption, investment, or public expenditures. It shows that upon either an increase or a decrease of one of these elements, the effects will be a multiple of the change in the expenditure.

Magnitude of Multiplier to be Employed

The impact of the multiplier effects within the context of this study becomes evident when one considers the multiple loss in total income as the result of the existence of a low level of income in the Indian segment of the population. If the Indian income could be raised, the incremental increase in their income will and can lead to a multiple impact upon their community as well as the state as a whole.

Thus, it becomes imperative that an applicable and empirically valid multiplier be employed. For the purposes of this study, we are going to employ multipliers which we feel represent a higher range and concurrently employ one within a lower range. In selecting our range we have noted a number of the more notable estimates made by economists and from these have selected our ranges. Eckstein in 1962 estimated that the tax multiplier was equal to about 2. If this was accurate the domestic multiplier would be equal to three.³⁸ Keynes estimated that it was

³⁸The Tax Multiplier is always equal to one less than the domestic multiplier due to the indirect impact of taxes upon consumption.

equal to between 2.5 and 3. Davidson in 1961 estimated it to be equal to about 2.11. On the basis of these estimates it appears justifiable to employ a multiplier in a range between 2 to 3.³⁹

Transfer Payments As An Alleviant of Poverty⁴⁰

In a background paper prepared for a conference on Negative Taxation and the Poverty Problem (by Christopher Green) we find a discussion concerning how transfer payments can be employed to alleviate poverty. In table IV-1 we see that in 1961 transfer payments had the effect of lifting 4.7 million families out of poverty. The number of families in poverty was reduced by 35 percent. The number of families in the nation in poverty was reduced from 25 to 16 percent of the total family population.

The question as to the number of families receiving transfer payments can be partially answered by reviewing Table IV-2. In Table IV-2 it is estimated that a minimum of 8.5 million and a maximum of 13.6 million before transfer families received transfer payments. Of all poor receiving transfers, 61 percent received public benefits and pensions, 35 percent received relief of some sort, and 10 percent received veteran's compensation or pension. Of those families removed from under the poverty line by transfers, 84 percent received public benefits and pensions, 34 percent received relief, and 21 percent received veteran's payments.

Table IV-3 indicates the income from major programs in 1961. From this table the significance of OASDI becomes evident in that of all before-transfer poor families 55.2 percent of the transfer payments which they received were through OASDI programs.

The effect that transfers have on the poverty gap is demonstrated by Table IV-4. In this table again it is evident that the transfers have significantly added to the income of the poor.

³⁹ Estimates of the multiplier were obtained from *Income: Analysis and Policy* by Myron Ross published by McGraw Hill in 1964.

⁴⁰ This section has been prepared based upon chapter two of Christopher Green's book *Negative Taxes and the Poverty Problem* published by the Brookings Institute in 1967. The reader might wish to consult this source for greater insight into how transfers may be employed to combat poverty. It must be emphasized that data employed in this section have been derived from this source and are national figures. For the purposes of this study the authors wish to merely point out that the transfers may be effectively employed in overcoming the poverty problem.

TABLE IV-1

Effect of Transfer Payments in Reducing Poverty, 1961^a
(000's)

Type of Family	Members in Family Unit						Total Families	Total Persons in Families
	One	Two	Three	Four	Five	Six or More		
(1) All families in population	8,488	16,656	9,805	9,019	5,621	5,715	55,304	175,401
(2) Before-transfer poor families	3,971	4,596	1,443	833	816	1,937	13,596	38,463
(3) After-transfer poor families	2,643	2,499	878	627	603	1,628	8,878	27,194
(4) Families made nonpoor by transfers, (2)-(3)	1,328	2,097	565	206	213	309	4,718	11,269
(5) Percentage reduction in poor families, [(4) ÷ (2)] x 100	33.4	45.6	39.1	24.7	26.1	15.9	34.7	29.3
(6) Before-transfer poor as percentage of all families, [(2) ÷ (1)] x 100	46.8	27.6	14.7	9.2	14.5	33.9	24.6	21.9
(7) After-transfer poor as percentage of all families, [(3) ÷ (1)] x 100	31.0	15.0	8.9	6.9	10.7	28.5	16.1	15.5

SOURCE: Data from U. S. Department of the Treasury, Office of Tax Analysis, based on special tabulations of the Survey of Consumer Expenditures, 1960-61, of the Bureau of Labor Statistics, U.S. Department of Labor Statistics, U.S. Department of Labor.

^aPoverty lines are \$1,500 for a single member or head of family and \$500 for each additional member of the family.

Note: That the poverty standard employed is somewhat different from that used elsewhere in this study; however, it is felt that this will have little significance on the point the authors are attempting to express.

TABLE IV-2

Number of Families Receiving Transfer Income, 1961^a

Families	Public Benefits and Pensions (1)	Public and Private Relief (2)	Veterans' Pensions and Compensation (3)	Range of Totals ^b (4)
Receiving Transfer income (in thousands):				
(1) All receiving transfers	17,712	14,117	3,634	17,712-35,463
(2) Before-transfer poor	8,346	4,800	1,396	8,346-13,596
(3) After-transfer poor	4,382	3,195	424	4,382-8001
(4) Made nonpoor by transfers	3,964	1,605	972	4,718
Percentage receiving transfer income:				
(5) All receiving transfers	32.0	25.5	6.6	32.0- 64.1
(6) Before-transfer poor	61.4	35.3	10.3	61.4-100.0
(7) After-transfer poor	49.3	36.0	4.8	49.3- 90.1
(8) Made nonpoor by transfers	84.0	34.0	20.6	100.0

SOURCE: U.S. Treasury Department, Office of Tax Analysis, based on special tabulation of the Survey of Consumer Expenditures, 1960-61, of the Bureau of Labor Statistics.

^aSee text for explanation of the types of transfers in the broad classes shown in columns 1, 2, and 3.

^bThere is overlapping in the totals since some of the families receive at least two of the three broad types of transfers.

TABLE IV-3

Transfer Income Received from Major Programs, 1961

Transfer Payments	OASDI	Unemployment compensation	Public Assistance ^a	Veterans' Pensions and Compensation	Other Transfers ^b	Total
Payments (in \$ million) Received by:						
(1) All families	12,145	2,684	2,591	3,226	6,413	27,059
(2) Before-transfer poor families	7,639	961	2,406	1,471	1,371	13,848
(3) After-transfer poor families	2,937	424	1,777	356	787	6,280
(4) Families made nonpoor by transfers	4,702	537	629	1,114	585	7,568
Percentage Total Transfers Received by:						
(5) All families	100.0	100.0	100.0	100.0	100.0	100.0
(6) Before-transfer poor families	62.9	35.8	92.9	45.6	22.4	51.2
(7) After-transfer poor families	24.2	15.8	68.6	11.0	12.3	23.2
(8) Families made nonpoor by transfers	38.7	20.0	24.3	34.5	9.1	28.0
Percentage Transfer Payment to Total Transfer Payments Received by:						
(9) All families	44.9	9.9	9.6	11.9	23.7	100.0
(10) Before-transfer poor families	55.2	6.9	17.4	10.6	9.4	100.0
(11) After-transfer poor families	46.8	6.7	28.3	5.7	12.5	100.0
(12) Families made nonpoor by transfers	62.1	7.1	8.3	14.7	7.7	100.0
(13) Percentage of transfers received by before-transfer poor families which contributed to making them non-poor, (4) - (2) ..	61.5	55.9	26.1	75.7	42.7	54.7

TABLE IV-3 (Continued)

Source: U. S. Treasury Department, Office of Tax Analysis, based on special tabulations of the Survey of Consumer Expenditures, 1960-61, of the Bureau of Labor Statistics.

^a The BLS figures lump public and private assistance (for example, church charity) together. However, so much of the assistance actually is public assistance that it can be so described for purposes of this table.

^b Other transfers include: old-age, survivors and disability insurance payments made under the railroad, federal civilian employee, and state and local employee programs. It also includes workmen's compensation and inter-family gifts. It does not include interest on state, local, or national debt.

TABLE IV-4

AMOUNTS ADDED BY TRANSFERS TO THE INCOME OF THE POOR
1961¹

(Dollar Amounts in Millions)

Item	Before- Transfer Poor	After- Transfer Poor	Families Made Nonpoor by Transfers
Income needed in order not to be poor ..	\$32,734	\$22,476	\$10,258
Before-transfer income ¹	14,764	8,582	6,182
Before-transfer poverty gap, (1) - (2) ...	17,970	13,894	4,076
Transfer income ²	13,848	6,280	7,568
Total money income ²	28,730	14,969	13,761
Transfers as a percentage of before- transfer poverty gap, (4) ÷ (3)	77.0	45.2	185.7
Transfers as a percentage of total money income, (4) ÷ (5)	48.2	42.0	55.0

¹ Adjusted gross income (AGI) is used as a proxy for before-transfer income. Total AGI reported in the BLS Survey was \$323.1 billion.

² Total money income (TMI) reported in the BLS Survey was \$348.0 billion. Note that lines 2 and 4 do not add to line 5, since AGI plus transfer income does not necessarily equal TMI, although it is close to TMI.

Source: U.S. Treasury Department, Office of Tax Analysis, based on special tabulations of Survey of Consumer Expenditures, 1960-61, of the Bureau of Labor Statistics.

By observing a compilation of data obtained from the previous tables, we obtain some idea of the impact of transfers and taxes upon the disposable income of the before-transfer poor families. To demonstrate the impact, the term net transfers was used to reflect the difference between the receipts of transfers and taxes which are paid and in turn reduce disposable income. The effective tax rate for each of the income classes was estimated by Richard A. Musgrave in 1954. The results which Musgrave produced are given in Table IV-5.

TABLE IV-5
EFFECTIVE TOTAL
TAX RATES BY
INCOME CLASS
1954

Spending Unit Income Class	Effective Total Tax Rate
Less than \$2,000	26.9
\$2,000 - 3,000	28.3
\$3,000 - 4,000	28.9
\$4,000 - 5,000	29.8
\$5,000 - 7,500	31.3
\$7,500 - 10,000	33.0
More than 10,000	40.9
All Classes	32.9

Source: Musgrave, "The Incidence of the Tax Structure and its Effects on Consumption" Federal Tax Policy for Economic Growth and Stability, Joint Committee on the Economic Report, 84th Cong. 1 sess. (1955) p. 98.

Table IV-6 summarizes the results of the compilation and demonstrates the need for expanded payments to the larger families. This is particularly evident when one observes the net transfers as the family size expands.

TABLE IV-6
NET TRANSFERS PER FAMILY
By Family Size and Before-Transfer Income
1961¹

Before-Transfer Income Class	One	Members in Family				
		Two	Three	Four	Five	Six or More
Under \$1,000	\$ 885	\$1,374	\$1,567	\$1,741	\$1,539	\$2,000
\$1,000-1,999	619	1,084	935	667	577	810
\$2,000-2,999	280	656	435	311	570	418
\$3,000-3,999	- 97	392	113	46	169	389
\$4,000-4,999	- 581	- 184	- 73	- 125	60	118
\$5,000-5,999	- 863	- 467	- 463	- 389	- 343	- 65
\$6,000-7,499	-1,112	- 776	- 762	- 653	- 567	- 303
\$7,500-9,999	-1,193	-1,288	-1,030	-1,053	-1,104	- 579
\$10,000-14,999 ...	-2,684	-1,868	-1,863	-1,666	-1,529	-1,300
\$15,000 and Over ..	-13,051	-5,831	-4,898	-3,772	-5,706	-2,545

¹ Net transfer is average transfer payment per family minus average personal taxes (including social security contributions) paid per family.

Source: U.S. Treasury Department, Office of Tax Analysis, based on special tabulations of the Survey of Consumer Expenditures, 1960-61, of the Bureau of Labor Statistics.

Thus far, we have demonstrated the capability of transfer payments to overcome poverty. In addition to the benefits received, one must observe the cost of these benefits. By employing the net transfer figures, the cost of the taxes being levied on society are taken into consideration. Once the net transfer figures are computed, the multiple impact may be determined by simply multiplying the net transfers times the transfer multiplier.⁴¹ This will provide us with the impact of the payments themselves.

In addition, administrative expenditures by the government also must be observed. The impact of these expenditures by the government also must be observed. The impact of these expenditures will be very similar to that of an increase in governmental expenditures for goods and services. This is due primarily to the nature of the accounting practices of the government in purchasing resources such as employees. Employee compensation is counted as a return for current productive services. Thus, they become a part of Net National Product upon payment. This could be contrasted to transfer payments which would not become a part of Net National Product until the payment is respent by the recipient. The result being that the expenditures for administrative personnel will have a greater impact upon Net National Product than that of the transfer payments.

⁴¹ The transfer multiplier is equal to $\frac{MPC (\Delta \text{ transfers})}{1 - MPC}$

The transfer payments have a smaller impact due to the fact that once a person receives the transfer payment as income, a portion of his income may be saved. Thus, only that which is expended as consumption expenditures will have an impact upon aggregate demand of the society.

The nature of the size of the marginal propensities to consume of the recipients of the transfer payments will also constitute another factor in accounting for the difference in impact of the transfer payments. This is reflected by the fact that the poor will virtually spend all of any additional income that he receives. This would suggest that his marginal propensity to consume would be equal to one. On the other hand, employees hired by the government for administrative purposes normally would have a tendency not to spend all of any additional income which would suggest that their marginal propensity to consume would be less than one. Therefore the multiplier of the governmental expenditure for administrative personnel would tend to be smaller due to the greater leakage in the form of savings.

As a final comment regarding the impact of governmental expenditures for administrative expenditure, one must recognize that not all administrative costs constitute payments for employee services. A breakdown of these expenditures would show that the impact of the various components would vary. Such a breakdown, however, is beyond the scope of this study.

Indian Income: Earned and Unearned

The magnitude of the transfer payments to the Indian of South Dakota is further reflected in the income received by this group. We will, therefore, attempt next to provide the income figures of the Indian. Table IV-7 provides us with Indian income by source and characteristic for 1967. Table IV-8 provides the annual value of special receipts of goods and services not derived from employment or property for 1967 for South Dakota Indians.

From these figures we see that government transfers amounted to \$2,895,000 for 1967. Since approximately 75 percent of those receiving the transfer payments would be below the \$3,000 level, we could safely assume an effective tax rate of 27 percent.⁴² Net transfers would equal approximately \$2,113,350 annually. These net transfers thus represent an addition of virtually \$2.1 million to consumption expenditures annually since in this income group savings would be virtually non-existent. Total impact on the State of South Dakota would then depend upon the leakages of the funds from the reservations. As these funds flow out of the reservation and the state, the total impact of the transfers would decrease.

⁴²The tax referred to here is not necessarily only the personal income tax, but rather such taxes as the sales tax which must be paid regardless of the level of income.

TABLE IV-7

INDIAN INCOME BY SOURCE AND CHARACTERISTICS: 1967
(\$000's)

	Pine Ridge	Rosebud	Crow Creek	Lower Brule	Cheyenne River	Yankton	Sisseton
Farming and Ranching ¹ . . .	2,049.9	1,579.0	244.0	189.0	1,917.6	169.4	798.7
Forest and Minerals	0	28.0	0	0	54.6	0	0
Commercial and Industrial Enterprises ²	1,257.0	214.0	80.0	62.0	133.0	70.5	336.0
Government	2,809.5	1,888.0	372.0	208.0	2,601.1	226.5	60.0
From Tribe	0	0	0	0	15.4	0	0
Other Reservation	5.0	414.0	0	0	28.1	96.5	4.0
Other Cash Income	469.6	241.0	14.0	12.0	0	15.0	0
Cash Income from Labor and Property	6,582.0	4,664.0	710.0	471.0	4,749.7	577.9	1,228.8
Value of Home Consumption ³	248.7	53.0	19.0	13.0	83.9	10.7	12.4
Governmental Transfers	1,216.8	372.9	215.1	81.8	346.2	173.6	488.6
Special Receipts	2,564.8	1,119.9	359.2	194.6	912.3	417.2	629.5
Total Personal Income	10,553.3	6,209.2	1,303.3	760.4	6,092.1	1,179.4	2,359.3
Cash Income	7,798.8	5,036.9	925.1	552.8	5,095.9	751.5	1,717.4

¹Includes lease and rental income, royalties and income from employment related to farming and ranching.

²Includes only reservation based industry and excludes the processing of farm and ranch output.

³Imputed market value for forest, agriculture, fish and wildlife products produced at home.

SOURCE: Bureau of Indian Affairs.

TABLE IV-8

**ANNUAL VALUE OF SPECIAL RECEIPTS, GOODS AND SERVICES NOT DERIVED FROM
EMPLOYMENT OR PROPERTY ON INDIAN RESERVATIONS: 1967**
(\$000's)

Governmental Transfers	Pine Ridge	Rosebud	Crow Creek	Lower Brule	Cheyenne River	Yankton	Sisseton
1. Public Assistance ¹	612.5	298.2	129.0	46.2	273.8	163.1	430.6
2. General Assistance ² ...	604.3	76.7	86.1	35.6	72.4	10.5	58.0
3. Subtotal	1,216.8	372.9	215.1	81.8	346.2	173.6	488.6
Special Receipts of Goods and Services							
1. Surplus Commodities ...	302.2	91.4	38.0	10.9	196.0	27.0	77.0
2. Food Stamps	0	0	0	0	0	0	0
3. Medical Services	1,702.6	702.9	247.5	123.8	658.1	369.0	495.1
4. Tribal Subsidy ³	76.3	4.8	30.0	19.6	0	0	0
5. Tax Exempt Property ⁴ ..	120.0	16.5	5.3	1.9	1.2	0	0
6. Income from Exempt Property	0	57.0	0	0	0	0	0
7. Management Benefits Under Trust ⁵	303.7	247.3	38.4	38.4	57.0	21.2	57.4
Total	3,721.6	1,492.8	574.3	276.4	1,258.5	590.8	1,118.1

¹A.D.C. Aid to Blind, Aid to Disabled, and Old Age Assistance.

²Recorded only for the BIA supplements; does not include county assistance.

³Mostly rent free housing and special allotments.

⁴Income accruing to the individual which would have been taxed away had the property been subject to the state property taxes.

⁵Value of BIA trust services rendered to the tribes at no cost.

SOURCE: Bureau of Indian Affairs.

TABLE IV-9
INDIAN HOUSEHOLD INCOME
EMPLOYING DIFFERENT BASES
1967
(Annual Income)

Reservation	Base 1	Base 2	Base 3
Pine Ridge	\$3,433	\$1,967	\$2,602
Rosebud	4,322	2,572	2,927
Ft. Thompson	3,403	1,732	2,587
Cheyenne River	3,931	1,781	2,065

Including:

Base No. 1 - Cash income from labor and property.

Base No. 2 - Cash income from labor and property minus the governmental payroll to Indians

Base No. 3 - Cash income from labor and property minus the governmental payroll plus governmental transfers.*

* Includes public assistance (State) and general assistance (BIA).

Source: Computed from data obtained from the Bureau of Indian Affairs.

Assuming the total Indian population of South Dakota to be 33,904, as recorded by the Bureau of Indian Affairs, transfer payments would amount to \$85.40 per Indian on a before-taxes basis. On an after-tax basis, this is approximately \$62.30 per Indian.

Table IV-9 further emphasizes the impact of these transfer payments. By observing household income employing Base No. 3 as compared to Base No. 2, we see that household income on Pine Ridge has been increased from \$1,967 annually to \$2,602; on Rosebud from \$2,572 to \$2,927; on Ft. Thompson from \$1,732 to \$2,587; and on Cheyenne River from \$1,781 to \$2,065. It is evident that the transfers sizably increased household income.

In addition to the reflection of the impact of the transfers, Table IV-9 can also be used to demonstrate how the existence of the government machinery effects the household income. Of the total cash income from labor and property, we see that approximately 40 percent can be attributed to the government payroll. By employing our first base which includes the government payroll the household family income is much larger than when the other bases are used. On Rosebud it is evident that the level of incomes are brought above the poverty level. This fact

is reflected on the Rosebud Reservation particularly in the past several years since considerable economic activity has taken place.⁴³

To summarize, many different household income figures may be found among the literature published concerning the Indian. This variety of figures to some extent may be explained by those components of income which are included. If all imputed income is included, the figure becomes much larger. It is questionable, however, whether these figures may be included justifiably. For these reasons the imputed components have been excluded even though they may easily be computed since they are listed in Table IV-8.

Federal Expenditures on the Reservations of South Dakota

In the previous section we observed the fact that of total cash income from labor and property, 40 percent of this was represented by the government payroll. This indicates the fact that sizable sums are expended by the government annually on the reservations. In this section the authors would like to attempt to indicate the volume of expenditures by the major programs. In appendix H the authors have also cited the public and private programs existing on the Pine Ridge Reservation in order that the reader might obtain some idea of the number of separate programs in existence. For those who prefer not to count these, it will be of interest to know that there are approximately 300 programs administered by 225 agencies.

In Appendix B the expenditures of the Bureau of Indian Affairs for the Rosebud Agency, the Pine Ridge Agency, the Pierre Agency (Ft. Thompson), the Cheyenne River Agency, and the Sisseton Agency are listed. Figures presented represent the approved programs for 1968. They include all appropriations but not loans. This represents total expenditure of \$9,032,996 or approximately \$266 per Indian.⁴⁴ Included in these figures are the administrative costs of \$242,260. No imputation for administrative expenditures has been made for the cost of the area office in Aberdeen. For the entire area, which includes states other than South Dakota, total administrative costs for the Aberdeen Area amounted to \$461,600.

⁴³For a discussion of economic development on Rosebud see Chapter V.

⁴⁴Assuming a population of 33,904.

Appendix C reflects the appropriations by the Office of Economic Opportunity. These are categorized by total funding, Federal share, and the non-Federal share. Data is included for the Rosebud Reservation, the Pine Ridge Reservation, the Ft. Thompson Agency (Crow Creek and Lower Brule Reservations), and the Cheyenne River Reservation. These represent a Federal expenditure of \$2,256,612 or approximately \$66 per Indian. Included in these expenditures are administrative costs of \$298,831. Again, these administrative expenditures do not include an imputation of the costs which are generated in the administrative structure above the reservation level.

The authors found it too formidable to attempt to obtain funding figures from the remaining agencies, however Table IV-10 has been included in order that some idea might be obtained as to the funding of the other agencies for Indian Programs. It should be noted that these are national figures and are not figures for the State of South Dakota. It might also be added that the scope of the study is not injured by the lack of this data.

The enormity of the expenditures of the government have been further emphasized by an unpublished report indicating that the Pine Ridge Oglala Sioux Tribe was the recipient in 1967 of better than \$9,000 per household in public, quasi-public, and private charitable funds.⁴⁵ This included direct cash payments both earned and non-earned.

For the State of South Dakota as a whole, Table IV-8 indicates that the Indian was the recipient of \$2,895,000 in government transfers. This would include both public assistance from the state and general assistance from the B.I.A. Public assistance amounted to \$1,951,400 while general assistance was \$943,600. Total transfers, then, amounted to \$85.40 per Indian. Assuming the average household size is 5.6, this would represent \$486.78 per household. This represents a sizable contribution to household income. This significance has been previously pointed out in computing the household income in Table IV-9.

State Expenditures Attributable to the Indian

Transfer payments flowing from the State of South Dakota in the form of Old Age Assistance, Aid to the Blind, Aid to Dependent Children, and Aid to the Disabled are indicated in the Table IV-11. Appendices D, E, and F provide these

⁴⁵ See Appendix H

TABLE IV-10
INDIAN PROGRAMS OF OTHER FEDERAL AGENCIES
(National Figures)

Agency	Funding Known or Estimated - 1967	
Dept. of Housing & Urban Development		
Housing Assistance Administration	14,000,000	<u>15,110,000</u>
Neighborhood Facilities	1,081,000	
701 Planning Grants	29,000	
Department of Labor		<u>1,410,000</u>
Manpower Development & Training Act	1,410,000	
Department of Agriculture		<u>4,915,000</u>
Farmers' Home Administration	4,524,000 ¹	
Rural Electrification Administration	191,000 ¹	
Forest Service (pest control)	200,000	
Department of Commerce		<u>25,890,000</u>
Economic Development Administration	25,783,000	
Small Business Administration	107,000	
Dept. of Health, Education & Welfare		<u>111,860,000</u>
Office of Education (\$27,346,000)		
PL 89-10 (BIA schools)	5,329,000	
PL 815 (Public schools - construction)	4,500,000	
PL 874 (Public schools)	10,517,060	
Division of Indian Health	91,314,000	
Department of Interior		<u>2,400,000</u>
Bur. of Sports Fisheries & Wildlife ²	1,100,000	
Bur. of Commercial Fisheries ³	800,000	
U.S. Geological Survey ⁴	500,000	
Total		<u>\$161,385,000</u>

¹ Calendar year basis.

² Technical assistance and funding for special projects related to fish and wildlife.

³ Funding of program for the natives of the Pribiloff islands.

⁴ Technical assistance in mineral development on Indian reservations.

Source: Department of Interior, Program Memorandum: Indians, 1967.

figures broken down into county, reservation, and as percentages of receipts flowing to the Indian compared to other recipients. Figures provided are those for the month of October, 1967.

On a monthly basis, the figures reveal that \$293,054.50 was spent for the month of October. Annually the Bureau of Indian Affairs reported \$1,954,400 for the Public Assistance. Average per recipient payment for Old Age Assistance was \$64.49; for Aid to the Blind, \$74.79; for Aid to Dependent Children, \$40.57; and for Aid to the Disabled, \$62.88. Table IV-11 also reveals that 373 Indians per 1,000 are recipients of Old Age Assistance while only

78 non-Indian per 1,000 were recipients of OAA. Similar patterns were shown for AB, 270 Indians recipients compared to 33 per 100,000; and for ADC, 338 Indians recipients compared to 38 per 1,000; and for AD, 15 recipients compared to 4 per 1,000 persons 18-64.

As a percentage of total payments to all persons in South Dakota the Indians receive 10 percent of the OAA payments, 25.7 percent of the AB payments, 13.5 percent of the AD payments, and 44.3 percent of the ADC payments. The significance of the latter figures being suggested by the fact that the Indian population makes up only about 4 percent of the total population of the state. Table IV-12 includes the breakdown of the percentages of Indian recipients and payments for transfer payments to all persons in South Dakota.

Administrative expenses incurred by the state in the administration of the assistance payments are summarized in Table IV-13. Federal funds are used to finance approximately 50 percent of the total administrative costs. The Federal funds constitute the payments made to the state for the administration of the Federal programs through the State Department of Public Welfare.

Total administrative costs to the state are \$1,111,662. The amount which can be allotted to the administration of public assistance to the Indians is very difficult to determine. All of the cost of the Title V Projects would be included as Federal expenditures, thus not as a part of the state administrative costs. Since the Indian is the recipient of approximately 30 percent of all public assistance payments in the state an allocation of administrative costs might be allocated on this basis. This would amount to a total cost of approximately \$333,498.

TABLE IV-11

INDIAN RECIPIENTS OF PUBLIC ASSISTANCE
OCTOBER 1967

Population (1960)	Total	Non-White	Percent
Total	680,514	27,416	4.0
Under 18 years	262,163	13,748	5.2
18 - 64 years	346,838	12,216	3.5
65 years or over	71,513	1,452	2.0
Old Age Assistance			
Number of recipients	5,607	542	9.7
Amount, money payments ...	\$ 350,314.00	\$ 34,951.00	10.0
Average per recipient	\$ 62.48	\$ 64.49	
Recipients per 1,000 aged ...	78	373	
Aid to the Blind			
Number of recipients	114	33	28.9
Amount, money payments ...	\$ 9,601.50	\$ 2,468.00	25.7
Average per recipient	\$ 84.22	\$ 74.79	
Recipients per 100,000 persons 18 - 64	33	270	
Aid to Dependent Children			
Number of recipients	13,325	6,020	45.2
Adults	3,282	1,376	41.9
Children	10,043	4,644	46.2
Number of families	3,562	1,630	45.8
Amount, money payments ...	\$550,779.00	\$244,255.00	44.3
Average per recipient	\$ 41.33	\$ 40.57	
Children per 1,000 under 18 ..	38	338	
Aid to the Disabled			
Number of recipients	1,314	181	13.8
Amount, money payments ...	\$ 84,388.00	\$ 11,380.50	13.5
Average per recipient	\$ 64.22	\$ 62.88	
Recipients per 1,000 persons 18 - 64	4	15	

Source: Department of Public Welfare, State of South Dakota.

TABLE IV-12
SOUTH DAKOTA
INDIAN RECIPIENTS OF PUBLIC ASSISTANCE
Percentage of Recipients and Payments

	OAA		AB		AD		ADC	
	Recipients	Payments	Recipients	Payments	Recipients	Payments	Recipients	Payments
1949	7.4	5.9	45.9	41.0	—	—	26.6	26.0
1950 a/								
1951	7.7	6.2	47.5	42.0	—	—	30.9	31.9
1952	7.8	10.6	44.4	40.4	3.7	2.8	33.8	34.2
1953	7.5	6.1	45.3	39.6	8.0	6.0	33.8	34.5
1954	7.8	6.3	45.0	37.7	9.4	7.8	37.1	37.9
1955	7.6	6.1	42.5	36.0	9.9	8.2	39.6	40.0
1956	7.9	6.3	39.6	33.8	11.4	9.1	41.5	42.1
1957	7.7	5.8	41.3	34.4	14.8	12.0	41.2	41.9
1958	7.7	6.2	39.1	32.3	17.0	14.4	41.9	42.9
1959	7.0	5.1	34.9	28.6	15.5	12.4	43.0	43.5
1960	7.1	4.9	33.1	25.6	14.0	11.4	42.8	41.3
1961	7.4	5.0	33.7	26.3	15.0	11.3	44.8	43.1
1962	7.4	5.0	31.5	23.1	14.7	10.9	46.7	43.3
1963	7.2	5.0	32.6	24.3	15.4	11.3	45.7	41.6
1964	7.1	5.0	28.5	21.0	15.5	11.8	46.0	43.2
1965	7.7	7.0	33.3	24.2	14.8	11.9	45.2	41.8
1966	8.3	8.7	34.9	30.0	14.2	13.1	45.5	43.3
1967	9.7	10.0	28.9	25.7	13.8	13.5	45.2	44.3

a/ Data not available.

b/ Note - This table should be read as follows: for example, in 1949 7.4 percent of all OAA recipients in the state were Indians who received 5.9 percent of all payments.

Source: Department of Public Welfare, State of South Dakota.

TABLE IV-13

TOTAL ADMINISTRATIVE COSTS

Department of Public Welfare
of the State of South Dakota
July 1, 1966 - June 30, 1967

Public Welfare Administration

State Funds		
Appropriation	\$ 659,763.00	
Recoveries	50,000.00	
Federal Funds		
Administration	796,123.13	
Reimbursed to Counties	50,112.07	
Total		\$1,555,998.20

Child Welfare Administration

State Appropriation	401,899.00	
Federal Funds	138,783.94	
Total		540,682.94

Title V Project - Administration

State Staff	15,945.62	
Rosebud	47,697.46	
Pennington County	34,930.22	
Cheyenne River	61,735.78	
Charles Mix County	13,974.12	
Total		174,283.20

Total Administrative Payments		<u>\$2,270,964.34</u>
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Total State Funds	\$1,111,662.00
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Total Federal Funds	\$1,159,302.34
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Source: Department of Public Welfare, Annual Report.

Summary of Impact of Indian Poverty on the State of South Dakota

Poverty concentrated in confined areas of South Dakota contributes notably to the economy of South Dakota. In this summary the authors would like to summarize the poverty gap for the four major Indian reservations in South Dakota. For illustrative purposes and to emphasize the impact of transfer payments and the government payroll, mean household income figures to be employed will be those computed using base 2 income figures and base 3 income figures.⁴⁶ In addition the loss of aggregate demand under the two bases has been computed.

TABLE IV-14
POVERTY GAP ON THE
INDIAN RESERVATIONS OF
SOUTH DAKOTA

	Poverty Standard Income	x	No. of House- holds	Average Household Income		No. of House- holds	Poverty Gap Employing	
				Base 2	Base 3 x		Base 2	Base 3
Rosebud	\$ 3,300		1,079	\$ 2,572	\$ 2,927	1,079	\$ 785,512	\$ 402,467
Pine Ridge	3,300		1,917	1,967	2,602	1,917	2,555,361	1,338,066
Ft. Thompson .	3,300		347	1,732	2,587	347	544,096	247,411
Cheyenne River	3,300		1,205	1,781	2,065	1,208	1,824,455	1,491,880
Total Poverty Gap							\$5,709,397	\$3,479,824

⁴⁶ See definition in section above.

TABLE IV-15
LOSS OF AGGREGATE DEMAND
ASSUMING VARIOUS MULTIPLIERS

Poverty Gap Using Income Base # 2	x Multiplier	= Loss of Aggregate Demand	As % of Total Taxable Retail Sales of State
\$ 5,709,397	2	\$ 11,418,794	1.2
5,709,397	2.25	12,846,143	1.4
5,709,397	2.5	14,273,492	1.5
5,709,397	2.75	15,700,841	1.7
5,709,397	3.00	17,128,191	1.8
Poverty Gap Using Income Base # 3			
\$ 3,479,824	2	\$ 6,959,648	.7
3,479,824	2.25	7,829,604	.8
3,479,824	2.5	8,699,560	.9
3,479,824	2.75	9,569,516	1.0
3,479,824	3.00	10,439,475	1.1

Total taxable retail sales for the state for 1967 amounted to \$917,410,000.⁴⁷ The loss of aggregate demand represents the loss to the state of taxable retail sales resulting from the existence of poverty among the Indians. We note that this loss ranges from 6.9 million to 17.1 million depending upon the base employed in computing income as well as the multiplier employed.

To define the income base which most accurately reflects the more significant loss of aggregate demand one must recall the components of each base. Base No. 2 includes cash income from labor and property minus the government payroll. This base vividly reflects the impact of the Federal payroll upon aggregate demand. When one observes that without the government payroll the loss in aggregate demand is vaulted to a range of 11 to 17 million from no poverty gap at all (assuming a poverty standard income of \$3,300). In chapter five the authors will reflect on the fact that the governmental machinery established to overcome poverty itself helps pull the Indian out of poverty. Table IV-5 employing base No. 2 strongly supports this fact. Base No. 3 then can be employed to show the impact of the transfer payments. In this case the loss of aggregate demand is varied from the 11 to 17

⁴⁷South Dakota Business Review, Business Research Bureau, University of South Dakota, Vol. XXVI, No. 4, May 1968, p. 10.

million range to a range of 6.9 million to 10.4 million. The transfer payments alone do not pull the Indian out of poverty and eliminate the loss in aggregate demand but we see that they do sizably contribute to this goal. The combination of both the transfer payments and the government payroll to Indians do however raise the Indians above the poverty standard if a mean household income of \$3,300 is used. The striking factor here is not that the Indian is pulled out of poverty but rather the means which has been used. Also it must be said that observation may not bear out the apparent contention that poverty has been overcome. The authors shortly will comment that this seeming paradox may be accounted for by the use of mean figures rather than median figures.

Comment is warranted regarding the multiplier again since it is evident that the significance of the multiplier is critical in its impact on aggregate demand. In observing the structure of the multiplier formula we see that as savings or leakages increase the multiplier becomes smaller or as the savings decrease the multiplier becomes larger. Since savings among the poor are practically non-existent the multiplier becomes very large. Thus justification might be obtained for employing the larger multiplier thus increasing the loss in aggregate demand. However, since we are measuring the impact on the state as a whole, savings cannot be said to be non-existent, thus the multiplier for the state tends to be lower.

The last column in Table IV-15 shows how much, on a percentage basis, taxable retail sales in the state could be increased should the poverty be eliminated.⁴⁸ We note that the loss of taxable sales runs from .7 percent to 1.8 percent of the total.

Interpretations of the data compiled here can be many depending, possibly, on what one wants to say. In an attempt to be objective the authors would like to point out those factors which seem to provide the greatest insights. First one might draw the conclusion that the poverty of the Indians of South Dakota has provided benefits to the state as a whole. For the benefit of the Indians of South Dakota alone governmental expenditures for

⁴⁸This cannot be said to be true if the revenue to pay for assistance payments used to raise the Indians from poverty is drawn from the state, since the taxes levied would in turn lower taxable retail sales. Thus any gain in sales in one section of the economy may be offset by a loss in another section.

administrative purposes and transfer payments amount to \$13,233,208 from the Bureau of Indian Affairs and The Office of Economic Opportunity. This does not include funds flowing from the multitude of other governmental agencies, quasi-public agencies, and private charities. As was noted above the total flow of funds could be better than \$9,000 per Indian. In addition to payments flowing into the state for the Indians of South Dakota the Area Office for the Bureau of Indian Affairs at Aberdeen has a budget for 1968 of better than 22 million dollars with a local salary base of better than \$450,000. A portion of this budget necessarily will be spent in South Dakota providing a significant impact on the state. The point then becomes striking that the existence of this deprived segment in American society has provided for a significant inflow of funds to the State of South Dakota.

Secondly, one might wish to argue that with the governmental expenditures and transfer payments a poverty gap does not exist. Thus are the expenditures justified? This question must be answered by stating that if the machinery to eliminate poverty were withdrawn poverty would again appear. This then brings us to a point which will be more fully discussed in the income maintenance section of Chapter. V. This point being that under the current service oriented philosophy of the government assurance of income maintenance is not being provided. Rather than overcoming the problem on a long run basis we are providing a short run solution by merely providing employment in the machinery to overcome unemployment and low incomes.

As a third point of discussion one could question the household income figures. As can be observed mean figures have been employed. This may have caused the household income here employed to be overstated. If a median figure were employed it is possible that household income figures would have been lower due to an apparently skewed income curve. This would suggest that at the lower income levels we would find a large number of households while in the higher levels of income the number of households would be low but the level of income would be sizably larger, thus pulling the average income to a higher level. The result would be that the median income would be much lower than the mean. If this is the case, then the problem in terms of a loss of aggregate demand would be further accentuated since the poverty gap would be greater. In this study we have not attempted such an analysis. This could provide fruit for additional study, a study which could provide for even greater insights into the true magnitude of the problem.

CHAPTER V

EVALUATION OF CURRENT PROGRAMS

Introduction

In this chapter the authors discuss and evaluate many of the current programs established to mitigate or eliminate Indian destitution. Not all programs, or even most programs, are included. To have included all programs would have been impossible since by actual count there are more than 225 federal, state, local and private agencies conducting poverty programs on the Pine Ridge reservation alone. In Appendix H the authors have listed these agencies and indicated the amount spent by each on the Pine Ridge Reservation in 1967.

The authors have confined their analysis to the programs conducted by the Bureau of Indian Affairs (Department of Interior), Office of Economic Opportunity and the Public Health Service, Division of Indian Health. (Department of Health, Education and Welfare). These programs were selected because they accounted for the major part of the Indian poverty effort and over 50 percent of the total amount spent to aid the Indian.

The Bureau of Indian Affairs came into being on March 3, 1849 as the Indian Office. With the General Land Office it constituted what was known then as the Home Department and now as the Department of the Interior. According to W. J. Dougherty, former Director of Information for the Interior Department, the purpose of the Indian Office was and still is, "the administration of Indian Tribal Resources and aiding in the social, economic and cultural advancement of the Indians."

The B.I.A. is an integral part of Indian life with its services covering everything from the management of Indian land to collegiate scholarships for Indian students. The philosophy of the B.I.A. can be inferred from its expenditure pattern. Expenditures for health education and welfare have traditionally accounted for over two-thirds of the total. Carl K. Eicher has commented on the government's Indian policy by stating:

(It) implicitly assumes that the long-term provision of social overhead investment and social services to reservation Indians will call forth Indian private investment employment and eventually the people will help themselves develop a self-supporting reservation economy.

It is the general philosophy which these authors will question in the section to follow.

The Public Health Service is part of the Department of Health, Education and Welfare. Its reservation activities are limited to providing health care to the Indian residents. As is noted in the evaluation of health services which follows, its philosophy, as deduced from its programs, is one of emergency service rather than prevention and rehabilitation.

The Office of Economic Opportunity is the third major agency involved in reservation work. The O.E.O. operates on the reservations through locally constituted Community Action Programs (C.A.P.). For a reservation to receive aid it must set up a C.A.P. board to plan and administer the projects. The Board then selects a C.A.P. director and secondary staff. The local board also decides what program components are to be put in operation on the reservations. There are seven possible components which may be instituted: Head Start, Neighborhood Youth Corp, Adult Education, Community Health, Home Improvement, Legal Aid and Housing. All South Dakota reservations have C.A.P. Boards, but not all reservations have initiated all seven program components.

The basic philosophy of the C.A.P. is that the programs designed to help the reservations should begin with and come from the reservations themselves rather than from a central agency. This philosophy is the major strength of the O.E.O. program and goes a long way toward explaining why the C.A.P.'s are more enthusiastically received by the Indians than either the B.I.A. or P.H.S. programs. Unfortunately, it appears to these authors that this philosophy is being slowly but constantly eroded by the expansion of regulations and program requirements.

Technical assistance and advice is made available to the reservation C.A.P.'s through the Indian Community Action Project

⁴⁹"An Approach to Income Improvement on the Rosebud Sioux Indian Reservation" *Human Organization*, Winter 1961-62, p. 191.

(I.C.A.P.) Office at the University of South Dakota. Currently an evaluation is being conducted to measure the effectiveness of the assistance rendered by the I.C.A.P. Office. The authors feel that the usefulness of I.C.A.P. is limited by poor communications between Vermillion and Washington. I.C.A.P. personnel are sometimes given assignments without proper briefings or preparation to carry them out. Since the lines of authority run from the reservations to Washington and then to I.C.A.P., problems of coordination and flexibility result.

From the large number of agencies and programs, both public and private in operation, it is obvious that duplication and poor coordination will result. There is also a good deal of interagency friction and competition, particularly at the higher levels, which intensifies and adds to the already enormous problem of economic development. Any alteration which provides more cooperation and joint planning is to be preferred to the current structure.

Housing

Disease, exposure to the elements and overcrowding are by-products of inadequate housing. Tar-paper shacks, tents, and old automobile bodies constitute the living quarters of many households on the Indian reservations of South Dakota. Average square footage of these housing units many times is only one half of the minimum standard established by the Public Health Service.

In a sample survey conducted on the Pine Ridge Reservation by the Public Health Service, Division of Indian Health, the major community need expressed was housing with 54.5 percent of those interviewed positively responding to this need.⁵⁰ In most slum areas of the United States 20 percent sub-standard housing is considered critical. At the current rate of housing development, it will be well into the 1970's before this critical level will be reached on the Indian Reservations of South Dakota. These facts reflect vividly a people experiencing living conditions clearly inadequate.

⁵⁰Pine Ridge Research Bulletin, April, 1968, p. 40.

Interest in the variety of housing programs on the reservations has run very high in the past few years. Positive results seem to be resulting from this interest and enthusiasm.

On each of the reservations a Housing Authority has been created. These Authorities plan and initiate the various programs. A highly significant role in the coordination of the various programs between the tribes and the governmental agencies is performed by the reservation Housing Authorities.

Table V-1 provides us with a summarization of the total number of units by category which are constructed, under construction, or programmed for construction on the reservations of South Dakota. The remainder of this section will be allocated to a brief discussion on each of the various programs and a summary evaluating the programs as a whole.

TABLE V-1
TOTAL SOUTH DAKOTA HOUSING UNITS BY CATEGORY

Agency	Low Rent Units	Mutual Help Units	Housing Improvement	Other
Cheyenne River	104	40	26	—
Pine Ridge	200	50	202	80
Rosebud	92	50	—	375
Lower Brule	30	20	—	—
Crow Creek	50	20	3	—
Yankton	—	—	—	—
Sisseton	—	—	54	—
Totals	476	180	285	455

Total All Categories 1,396

Source: Bureau of Indian Affairs.

Housing Improvement. Under the category of housing improvement, projects are coordinated and jointly funded by the Bureau of Indian Affairs, the Office of Economic Opportunity, the U.S. Public Health Service, Manpower Development and Training Act, (MDTA), and the Tribes. The purpose of such projects is to repair, remodel, or relocate to meet acceptable standards of decent and sanitary housing. Table V-1 indicates that under this category 285 units have received assistance. The demand for this type of housing has far exceeded the available funds.

For program year 1968 the B.I.A. has budgeted an expenditure of \$110,700 for Home Improvement in South Dakota. Applications indicate that expenditures can be expected to increase sizably for fiscal year 1969.

Low Rent Housing. In this category 476 units have been programmed and construction has begun on part of these. These projects are funded by the Housing Assistance Administration with the U.S. Public Health Services cooperating in providing sanitation and water facilities. The B.I.A. provides assistance when necessary under an agreement in 1965 between the H.A.A. and the B.I.A.

The rent ranges from \$30 - \$78 per month. The major limitation to the construction of additional low rent units seems to be the lack of adequate funds with the demand for such units being much greater than the capacity for providing them. Another difficulty encountered has been the coordination between the construction of the core of the house and the providing of necessary fixtures on the interior of the home. Recently the Public Health Service has indicated that on the Rosebud Reservation an additional \$855,000 was needed, on Pine Ridge, an additional \$302,000, and on Standing Rock and Sisseton \$370,000, or a total of \$1,527,000 to provide adequate sanitation and water services for houses currently under construction or programmed for the current fiscal year.

Mutual Help Housing. The purpose of this category of housing was to provide through "sweat equity" a low cost form of housing which after approximately 17 years the Indian would own. Rent in this type of a home runs as low as \$7.50 per month.

Funding is provided through the Housing Assistance Administration in cooperation with the B.I.A., the U.S. Public Health Service, the O.E.O., the Tribes, and individual participants. On the reservations of South Dakota 180 units have been funded and are under construction with more projected for the future.

This program has been appealing to the Indians and each of the tribal governing bodies or housing authorities has applied or are planning on applying for additional units. These units have the additional advantage of providing for eventual ownership being transferred to the Indians.

The expectation of ownership introduces certain problems in that most Indian families have never had the ownership experience and find the responsibility of maintenance foreboding. It is in this light that the various home management programs can provide and do provide excellent services in educating the Indian for home ownership. Without this education the potential gains to be obtained from the housing programs would be defeated.

Transitional Homes. This category of housing was developed for and in behalf of the Rosebud Tribe by the Battelle Memorial Institute, Columbus, Ohio. The purpose was to provide temporary homes of limited quality and limited life until alternative housing may be provided.

The Housing Assistance Administration has funded these houses from demonstration funds. Again the B.I.A., O.E.O., the U.S. Public Health Service, the Tribe, and Battelle Institute have cooperated in the completion of these homes. Currently 375 of this category of homes have been funded and nearly completed. The occupants pay \$5.00 per month for 5 years to the Tribe. Total cost of construction is approximately \$5,500.

As the title suggests these homes were not expected to last for any length of time. However, of those constructed it is evident that they may be deteriorating more rapidly than anticipated. Replacements are going to be necessary in the somewhat near future. Despite this deterioration no plans are currently under way for their orderly replacement. Too many Indians view these transitional homes as permanent dwellings.

This housing has performed a needed function and despite their short life they have filled the transitional gap. The impact of their presence in providing for a more favorable environment for further development cannot be denied.

Turnkey I, II, and III Housing. This category has received much emphasis by a number of the agencies. Rosebud has had 400 new units of this category approved and construction has commenced.

The "turnkey" programs provide for the development of low income housing by private developers. Under Turnkey I the local housing authority obtain funds from private sources while the

Department of Housing and Urban Development backs the loan with a financial commitment. Construction, inspection standards, and practices in general conform to prudent commercial practices.

Turnkey II differs from Turnkey I only in that the local housing authority does not have the responsibility for the management of the home. This responsibility on an interim basis has been accepted by the local Community Action Agency. They will be succeeded by a permanent House Owner's Association to be elected by development residents.

Turnkey III again is very similar except that the individuals occupying the home are able to earn "sweat equity" by doing the maintenance work themselves and by helping pay for their houses as their income rises. This program encourages the selling of public housing in concurrence with the announced intention of H.U.D.

These are programs with promise of much greater use in the future. The private nature of these programs provide the flexibility badly needed in the designing of a successful housing program.

Middle Income Housing. To fill the gap of those with incomes in excess of the low income limitations yet below the high income standard, 50 housing units in this category have been approved and programmed for Pine Ridge Reservation. Construction on these units began in the spring of 1968.

Financing has been provided by the Federal Housing Administration. The contractor on the project has been designated as the Oglala Sioux tribe through an established entity known as the Crazy Horse Ridge Association. Total cost of the project will amount to \$680,000.

The Housing projects described above have had such an impact that residents of the reservations have been motivated to an extent never before observed on the reservations. Through land sale funds, lease income, and other sources many individuals have renovated current structures and built new homes and provided badly needed improvements. In three and one half years 1,396 new housing units either have been constructed and occupied, put under construction and/or repaired or are programmed for

construction in South Dakota. Many more are projected for fiscal year 1969.

By and large one cannot deny that much progress has been made in providing adequate housing for the Indians. Much has yet to be accomplished but the promise for the future seems to be encouraging. Of the many programs that are evaluated in this report, housing must be rated as one of the more successful. The impact in terms of landscape appearance, upgraded housing standards, and its yield in terms of social change is astounding. An environment of change can contribute and has contributed to new born enthusiasm for fulfillment of new goals of a higher standard of living.

This progress has not been without its problems. To overcome these problems the authors would like to propose that the following factors be considered. First, greater emphasis must be placed upon coordination between the granting agencies. This need was reflected vividly by the lack of funds to provide adequate sanitation facilities in completed homes. The result of this failure was the idleness of nearly completed homes.

Secondly, consideration must be given to temporarily lowering standards in construction and sanitation fixtures in order that low rent homes might be constructed which would be sufficiently reasonable in rent for the very poorest to obtain shelter. Sixty dollars a month can not be defined as low rent to those with incomes of less than \$1,000 per year. After being denied these fixtures for much of their lives bare shelter becomes more significant to the Indian than shelter with all the trimmings.

Thirdly, inspection by the variety of cooperating agencies could be jointly accomplished. Many families become very much annoyed by the constant stream of inspection teams. Some even feel they would rather move out than abide with this annoyance.

Finally, consideration might be given to furnishing the homes. Old auto seats, wooden crates, and bare rooms many times greet those initially moving into their new homes.

Education

By any standard which can be used, Indian education in South Dakota is a failure. Evidence of this failure can be found in

these statistics taken from Chapter II. Indians over 25 years of age have completed only 8.4 years of school as compared to a national average of 10.6. Only 20 percent of South Dakota's Indians are high school graduates compared to over 50 percent of all U.S. Whites.

Data taken for the Pine Ridge reservation indicates the following⁵¹ Many of the Indian students are overage for their grade. The percentage distribution of overage students is given in Table V-2. Unpublished data supplied to the authors indicates that student performance for those living on Pine Ridge on standardized achievement tests is below the norm for grades 1-3, equal or above the norm for grades 4-5, and well below the norm for grades 6-12. This data further points out that the longer the student remains in school, the further behind he becomes.

This failure is surprising for two reasons: (1) the vast majority of Indian students have a good idea of the value of an education, and (2) the high per pupil expenditures for Indian education in the state.

Looking at the first of the above points, the authors were impressed in their own conversations with Indian youth at the high value they placed on education. The study done by Mindell and Maynard on Pine Ridge⁵² indicated that this positive attitude was widespread. They found that on the whole the attitudes of Indians toward education was superior to that of the non-Indian students on Pine Ridge. This is demonstrated in the following quotation taken from their investigation:

Let us consider the Indian student's attitudes concerning school. All of the students interviewed said they expected to finish high school and over half expressed a desire for higher education. On being asked what was the worst thing a teenager could do, 26 percent of the Indians stated that to leave school was the worst thing. The best thing a teenager could do according to 52 percent of the

⁵¹"Characteristics of the Indian Student Population," *Pine Ridge Research Bulletin*, August, 1968, pp. 3-8.

⁵²"Ambivalence Toward Education Among Indian High School Students," *Pine Ridge Research Bulletin*, (January, 1968), p. 26-31.

Indians and 24 percent of the whites would be to stay in school. This implies, we believe, that the Indian teenager has some fear of not completing school, and feels it would be bad not to do so. ⁵³

The failure of Indian education is even more startling when one considers that in 1967 approximately \$350 per capita was expended by public and private sources to educate Indian students in South Dakota. This compares with an education expenditure in South Dakota of \$161 per capita and a U.S. expenditure of \$149. On the basis of the above, it appears safe to conclude that it is misallocation and not parsimony which lies at the base of the failure.

TABLE V-2
PERCENTAGE OF SCHOOL POPULATION OVERAGE FOR GRADE ATTENDING,
BY GRADE ON PINE RIDGE RESERVATION

Grade	% Overage
Kindergarten	3.5
1st grade	14.1
2nd grade	22.7
3rd grade	18.7
4th grade	29.0
5th grade	30.0
6th grade	34.7
7th grade	31.2
8th grade	39.4
9th grade	34.7
10th grade	35.7
11th grade	31.1
12th grade	43.6

Source: "Characteristics of the Indian Student Population", *op. cit.*, p. 4.

The causes of the low achievement of Indians are many. The authors being economists and not experts on education will confine their analysis to those causes brought to their attention by those who do possess this expertise.

The first cause is the problem. The by-products of poverty breed educational under-achievement. One should not be surprised to find that students coming from sub-standard homes, eating inadequate diets, and suffering from poor health do not do well in school. There is also almost no academic environment created in

⁵³*Ibid.*, p. 26.

the homes of the poor. Books are usually missing. A quiet place to study is almost never found. The parents themselves are usually poorly educated and thereby unable to encourage their children by example. Students from low income families are forced out of school and into the labor force in order to provide some income for the family. This is the most widely given reason among dropouts to explain why they quit.

The statistics show that as incomes rise, educational achievement rises also. An unpublished analysis of Indian education done by Dr. Allen Sorken of the Brookings Institution found family income to be the prime determinant of educational success.⁵⁴

A second cause of the failure is the lack of rewarding and stimulating jobs on the reservations for Indians who do complete their education. As was noted in Chapter II, high school and college graduates are often unable to find work of any nature. This cause will also be removed if the poverty cycle could be broken. Dr. Sorken's study shows that on all U. S. reservations the difference in annual incomes for high school graduates and others is only \$90.

A third cause of failure is the schools themselves. One cannot help but be alarmed at the negative feeling among both Indian students and parents toward the public schools, particularly those run by the Bureau of Indian Affairs. As this paper goes to press, the Committee on Indian Education of the Senate Committee on Health Education and Labor is investigating the entire B.I.A. program with an eye toward radical revision.

What is wrong with the schools? The most common comment made to these authors by Indian young people when asked what was wrong with Indian schools was to the effect that the teachers either didn't like or understand Indians. This may not reflect on any of the B.I.A. teachers, but rather on the system in which they teach. There is little if any effort made to acquaint the new teacher with the psychology and value structure of the people with whom he will be dealing.

⁵⁴For example, on Pine Ridge 32.9 percent of all students from homes where income fell under \$3,000 were overage for their grade. Yet only 10.4 percent of those coming from families whose incomes exceeded \$6,000 were. ("Characteristics of the Indian Student Population", op. cit., p. 6.)

The Bureau schools were established to bring the Indian into the American culture. This process of acculturation has traditionally been the function of American schools. (And one well performed for immigrant groups). The process of acculturation for the Indian consisted of removing Indian youth from their homes and placing them in boarding schools. This practice still persists if not for the same reason. The transition to the boarding school is a painful process for the Indian and explains why so many drop out at the end of the 8th grade, before they enter, or during their first year.

There is little Indian culture or history taught in the schools. This contributes to the feelings of inadequacy which already plague the Indian as he attempts to adjust to an alien culture. More instruction in Indian related subjects would help the Indian student.

The traditional methods of class instruction seem ill-suited to the Indian classroom. The Indian culture is basically non-verbal. Education achievement thus can not be measured in terms of class participation and written expression. In addition, many Sioux Children come from homes where Lakotah, not English, is spoken; and their achievement in a classroom where English is spoken is further minimized.

The Indian culture is more permissive than is the White American culture. Parents "love" their children and the children's disciplining and training is left primarily to the child's peer group. In the classroom, the Indian is unable to respond to the presence of an adult figure of authority. The Indian culture, while individualistic, is essentially non-competitive. Students shun answering questions in class or making high marks if this is used to reduce the status of other class members.

A fourth cause of the failure of Indian education is the inadequate transportation systems on the reservations. During the winter months attendance is made difficult. The far distances involved often make boarding the only feasible alternative.

Despite the large per capita expenditures, the fifth cause of failure centers around low salaries, and inadequate facilities. For example, even though South Dakota ranks 46th in the nation in teacher's salaries, the pay for teachers in the state is generally above the B.I.A. schedule. Beginning salaries for B.I.A. teachers start at \$464 per month. The average for teachers in the state is \$586.

The authors attention has been called to the lack of non-teaching education personnel in the B.I.A. system. There does not appear to be adequate numbers of counselors and guidance personnel. Considering the cultural problems of adjustment faced by the Indian student, there probably is even a greater need for this type of person than in the average non-Indian system.

Many of the Bureau schools are old and overcrowded. A recent program memorandum from the Department of Interior lists shortages in equipment for instruction in language arts, fine arts, social studies, physical education, science, mathematics, and vocational-technical courses.

While comparable statistics are not available for the public schools attended by Indian students, the shortage of teachers and facilities is probably every bit as acute.

The low teacher's salaries create two interrelated problems. First, many highly qualified people are not attracted into Indian teaching. The geographical and cultural isolation of the reservation reinforces this tendency. Second, those teachers who do come do not stay. On Pine Ridge for example, almost 50 percent of the faculty leave each year to take other employment. This turnover is bad not only because it creates administrative problems, but also because the instructional staff does not have sufficient time or contacts to attune themselves to the Indian's cultural peculiarities.

A seventh and last cause of failure is the lack of parental involvement. All those who have studied Indian education in South Dakota have noted that parents appear to be unconcerned with their child's education and take no active part in providing this education for him. This may be due to the feeling of parental helplessness. The B.I.A. schools are controlled from Washington and local Indians are excluded from the decision making process. The public schools are controlled by school boards which reflect the non-Indian majorities in most districts. Even the parochial schools have been slow to include Indians on their boards.

There are two Community Action Program programs which have met with some degree of success. In operation now on all reservations are "Head Start" programs. On some reservations there are still not enough "Head Start" classrooms to enroll all eligible students. The idea behind "Head Start" is to give the child the pre-school experiences necessary to prepare him for an academic environment. The program enrolls five-year-olds when no public

kindergarten is provided and four-year-olds when one is.

While these programs have not been in effect long enough for any positive conclusions to be drawn, all preliminary indications are that they have been an unqualified success. Both parents and students are enthusiastic and attendance very good. The involvement of parents and their enthusiasm for the program are undoubtedly related.

In addition to instruction, one or two meals are provided. Thus supplying a good diet for many who otherwise might not receive adequate nutrition. Indian women are involved in the program primarily as teacher aids.

The second C.A.P. program is Adult Education. Centers are established in several reservation towns to give basic instruction. The program objective is to provide training equivalent to a high school education. While these programs have been successful, they have not experienced large enrollments.

A final C.A.P. program is the Neighborhood Youth Corps (N.Y.C.). The program is to provide work experiences with pay and training for high school dropouts. The program has two defects. First, the jobs given to the N.Y.C. members are usually menial and hardly can be seen as part of a job training program. This, of course, reflects the absence of meaningful work opportunities for anyone on the reservation. Second, the program requires that the member be a dropout. Since he does receive pay for leaving school and joining the N.Y.C., but receives no such remuneration if he stays in school; a financial bonus is paid for underachievement.

Dr.'s Mindell and Maynard have given the following suggestions for stimulating education achievement in the Indian schools.⁵⁵

1) Decreasing the emphasis in the Indian schools on acculturating the Indian. The emphasis often becomes one of downgrading the Indian rather than integrating him. Special curriculums need to be designed to show the Indian his value and

⁵⁵Op. cit., p. 30-31.

place in American society. Dr. John Bryde of the University of South Dakota, who taught for over 20 years on the Pine Ridge Reservation, is now in the process of writing textbooks to be used by Indians stressing their culture and values.

2) More involvement of parents in the educational process. The positive correlation between parental involvement and educational achievement stresses the importance of this point.

3) An orientation program for students who are entering boarding school after completing 8th grade. This would involve trips for both parents and students, overnight stays, and a buddy system to help new students adjust. Such a program would probably reduce the high dropout rate that occurs at this time.

4) Increased efforts in adult education.

5) Efforts to put N.Y.C. members into social service jobs which would be more stimulating than the current unproductive jobs which no one else wants.

6) Changing the tribal laws so that it is obligatory that Indian students remain in school until they graduate from high school or reach 18 years of age. Tribal law now only requires attendance through eight grades or until one's sixteenth birthday.

To these suggestions the authors add two of their own. First, a program of educational stipends should be established for those who stay in school. Not only would this remove the financial pressure which forces many to drop out, but would provide a positive incentive to finish one's education. This suggestion may have wider applicability than just for the reservation.

Second, an investigation should be made into the possibility of establishing an education grant system to replace the current Indian schools. In essence, this would put Indian education on the market principle. The Indian would be free to use his grant at whatever school he pleased. This would put a stimulus in the system for schools to offer courses desired and needed by Indian students.

This idea is not new. Education grants are the foundation for the "G.I. Bill". To a limited degree this proposal is now in

effect. The Bureau gives grants to Indians who do not live near enough to one of its schools to be enrolled or where no Bureau school is available. The feasibility of expanding this program is well worth consideration.

Not included above is the suggestion that more funds be allocated to teachers' salaries and for facilities. The authors do not feel that additional money currently needs to be allotted but rather the current allotment needs to be better allocated. Given the current administrative structure, particularly of the B.I.A., this may be impossible to accomplish.

Health

From the analysis presented in Chapter II, two conclusions can be drawn concerning the problems of physical health among South Dakota's Indians. First, physical ill health exists to a greater degree among South Dakota's Indians than it does among U.S. Indians in general and to a much greater degree than among the total population. Second, although health services exist, these do not reach enough of the Indian community to be highly effective. There are two reasons behind this last conclusion. First, the health services are too highly concentrated in one place on the reservation. Second, communications and transportation are sufficiently inadequate that the Indian cannot avail himself of the health facilities.

The Public Health Service program consists of maintaining the Public Health Service hospitals at Pine Ridge, Rosebud, Eagle Butte (Cheyenne River), Sisseton, Wagner (Yankton), and Rapid City. School health units are maintained at the Pierre and Flandreau boarding schools. Indian health centers which provide out-patient care are maintained at McLaughlin (Standing Rock) and at Chamberlain. South Dakota Indians on the Standing Rock Reservation use the Public Health Service hospital at Fort Yates, North Dakota. A summary of Public Health Service facilities for Indians is given in Table V-3.

In addition, field health clinics are held at several communities on each reservation. These clinics are provided on a weekly or bi-weekly basis and last for a half or a full day depending on patient pressures. These clinics are staffed by a doctor, two nurses, and a pharmacist.

TABLE V-3
PUBLIC HEALTH SERVICE
Indian Health Facilities
South Dakota

Hospitals		Health Centers	School Health Centers	Health Units
Eagle Butte	(33)	McLaughlin	Flandreau	Chamberlain
Pine Ridge	(60)		Pierre	
Rosebud	(52)			
Sisseton	(34)			
Wagner	(25)			
Rapid City (TB)	(122)			

() Number in parenthesis is quantity of available beds as of July 1, 1965.

Bed Count Source: Inpatient Report PHS-2726

Source: PHS Indian Health Area Office, Aberdeen, South Dakota.

The most persistent criticism of the Public Health Service is that its outreach is too limited. On the larger reservations, Indians may be as much as 90 miles from medical care. The visits of the health field units are too infrequent to provide continual care. Trips are difficult and expensive for the Indians. The result is that Indian medical care is emergency rather than preventive in its orientation. Indians usually use the Public Health Service only when their problem has become acute.

Trips to public medical facilities are not always pleasant. Most of the services are overcrowded and long waiting periods of sometimes several hours in uncomfortable conditions are not uncommon. The Indian culture is such that the Indian does not respond to the brisk clinic atmosphere of the center or hospital. Indians do not give orders to themselves and react unfavorably to doctors who give them directions in a manner which many Indians view as a scolding.

There is a feeling among reservation Indians that the government does not provide quality health care for them. The overcrowded facilities are partial evidence of this failure to them. The short terms of most Public Health Service doctors also contributes to this feeling. Most reservation doctors are serving in the Public Health Service in lieu of military service. Their two-year terms do not give them sufficient time to adapt to the peculiarities of Indian culture. It is the opinion of the authors that once the Indian reaches the hospital or center he does receive very good care, but the public relations between the Public Health Service

and the Indians on all reservations could be improved.

Efforts should be made to provide transportation for Indians living in remote areas as well as decentralizing medical services. Since the absence of an adequate transport system retards the development of the reservation in more than just this one way, the provision of a public transport system seems advisable.

A major effort is being made under the C.A.P.'s to bring health care to the Indians. Most of the C.A.P.'s have health components. Central to these programs are the health aides, usually older Indian women, who visit the sick and elderly. Besides encouraging the Indians to clean their homes these aides have received training in the diagnosis of illness. They are in a position to recommend treatment and care. All health aides have received training in first aid and can supply emergency assistance. While more health aides and more training are needed, all those concerned with reservation health agree that this program has reached the people in a manner before felt to be impossible. A large percentage of these health aides are bilingual and since all are Indian the cross-culture communications problems are reduced.

In this age of science and rapid medical advance, it is a striking paradox that many Indians still rely on local curers (Medicine men). The fact that these individuals not only exist, but flourish, is mute evidence of the need for revision of the Indian health program. Several times it was pointed out to these authors that the Indians, particularly those in outlying regions, turned first to the local curer for assistance and to the Public Health Service only on his advice or as a last resort.⁵⁶

The problems of Indian mental health may be more difficult to solve than the problems of physical well being. What must be realized in any approach to Indian poverty is that the Indian "problem" is a psychological one stemming from the imperfect and incomplete acculturation of the Indian into the American society. The results of this social disorientation were recorded in Chapter II.

The Public Health Service does provide some psychiatric services at its health centers. Only on Pine Ridge is there a

⁵⁶For example see, Levi Mesteth, "Kyle Community," *Pine Ridge Research Bulletin*, op. cit., p. 11.

comprehensive Community Mental Health Program (C.M.H.P.). A large volume of research has been generated by the C.M.H.P. dealing with the problems of adjustment on that reservation. In addition, the C.M.H.P. has completed a base line study which provides the most reliable data to be found concerning the Pine Ridge Reservations. Most of this research is published in the **Pine Ridge Research Bulletin**.

Even on Pine Ridge the mental health effort is nowhere adequate. The staff consists of one psychiatrist, one psychologist, one anthropologist, three social workers, and two aides. Despite the mental health problem, the budget for the C.M.H.P. is only 11 percent of the total Public Health Service expenditure on Pine Ridge.

The authors feel that improved health services for Indians would take the following forms:

- 1) The decentralization of health care facilities. The current concentration works unnecessary hardships on those Indians not living near the health centers. Until this concentration can be broken up, some form of public transportation should be devised.

- 2) Expanded programs of mental and dental care. The inadequacy of psychological care has been mentioned. While dental care is available, it usually is limited to children with adults receiving only emergency treatment.

- 3) A public relations campaign on the part of the Public Health Service to inform Indians of services available and to break down the current hostility of the Indians toward them. Along with this should come a program designed to sensitize Public Health Service workers to Sioux culture.

- 4) An expansion of the health component of the C.A.P. program. The success this program has already met indicates the wisdom of its expansion. If possible, the health aides should receive sufficient training to become practical nurses.

What all the above suggestions lead to is that there needs to be a new philosophy concerning Indian health. The current philosophy is crisis oriented and should be replaced with a philosophy of prevention and rehabilitation. While physical facilities are almost adequate to provide emergency services, they will have to be expanded if this new philosophy is adopted.

Income Maintenance

Mean household income for the Indian of South Dakota ranges from \$1,732 to \$4,322. Approximately one-third of these households receive annual incomes of less than \$1,000, one-half receive incomes of under \$2,000, and three-fourths receive incomes of less than \$3,000. Maintenance of above-poverty levels of income by and large has not been accomplished by the South Dakota Indian as reflected in these figures. As a paradox public and general assistance funds of the magnitude of \$2,895,000 flow to the reservations annually from all public sources. Stated differently this amounts to \$486.78 per household.

Two factors should be considered in this paradox. The first is that the Indian receives but marginal benefits in relation to total expenditures. A maximum of 20 percent of the total grant for many governmental programs ever reaches the reservations. Of those funds reaching the reservation, much of it will not be wisely distributed.

A prime example of this is in the area of public health. The U.S. Department of Health, Education and Welfare, the Office of Economic Opportunity, and the South Dakota Department of Health combine to spend approximately \$170 per capita for health services on the reservations as compared to an expenditure per capita of \$28 for publicly financed health services for the United States as a whole. One must note, however, that expenditures for health in the United States most generally are not publicly financed. Public and private expenditures per capita in the United States for health services amount to approximately \$174 or nearly the same as the public expenditure alone on the reservation. Yet as the section on Indian health shows, the health standards of the Indians are well below those of the average American.

The marginal nature of the benefits is further supported by the fact that total per capita expenditures for assistance to South Dakota Indians ranges from \$5,000 to \$8,000 per capita; yet household mean income remains at a figure 75 percent below these expenditure levels.

The second factor to be noted is that those families with higher incomes must attribute this to their participation in the administration of the various governmental assistance programs.

⁵⁷Computed employing 5.6 members per household.

Approximately 40 percent of the Indians owe their incomes to these expenditures.

The purpose of the government expenditures is to increase the incomes of reservation families. This the expenditures have done, but not in the expected manner. Instead of creating self generating incomes; the only jobs created have been those to administer the programs.

In 1967 only 10 percent of all income, earned and unearned, could be attributed to the independent effort of the Indian. Income from public sources is 10 times income generated in the private sector. Yet the standard of living of the Indian does not reflect the fruits of this public generosity.

Current attempts at the maintenance of income on the reservations primarily revolve around the General Assistance received from the B.I.A. and the various programs of the Department of Public Welfare in the State of South Dakota. According to the B.I.A. General Assistance payments in 1967 amounted to \$943,600. This is approximately \$28 per Indian.

State income maintenance programs consist of old age assistance (OAA), aid to the blind (AB), aid to the disabled (AD), aid to dependent children (ADC), and medical assistance.⁵⁸ Old age assistance is paid to persons who do not have sufficient income or resources to meet a predefined living requirement. During the year of 1967 the Indian was the recipient of approximately \$240,000 in OAA. This was 10.0 percent of the total funds distributed to recipients in South Dakota.

Aid to the Disabled is a monthly payment made to totally and permanently disabled persons in need. These persons normally have some physical or mental impairment, disease or loss from which recovery or marked improvement cannot be expected. These disabilities render them unable to engage in useful occupations within the range of their mental capacity and education skills. During 1967 the Indian population received approximately \$57,012 in AD. This amounted to 13.5 percent of total AD payments to residents of South Dakota.

Aid to dependent children is provided for children who are in need and are being deprived of parental support. A total of approximately \$1,311,600 was expended to Indian recipients in 1967. Indians were recipients of 44.3 percent of the total funds spent on this program.

⁵⁸The data which follows was furnished to the authors by the State Department of Public Welfare, Pierre, S. D.

Aid to the blind is a monthly payment made to persons in need or prevented from engaging in ordinary earning activities due to their blindness. A total expenditure of \$7,836 was expended for AB to Indians which was 25.7 percent of total expenditures for AB in the state.

These depict the primary sources of funds spent for the maintenance of Indian income. A total of \$2,560,048 or approximately \$77 per Indian was spent for the income maintenance of South Dakota Indians through these programs. These expenditures reflect a philosophy of aid clearly not income oriented. Why have the government's program for income maintenance failed? The causes are complex but the authors suggest the following.

By and large the governmental philosophy of income maintenance has been service oriented. It has not been oriented toward providing the Indian with income so that he may actively participate in the market place but rather merely with providing the Indian with needed services. This is not to suggest that this orientation is undesirable nor should be eliminated. It may be suggested however that this philosophy contributes little to preparing the Indian to maintain his own income. Participation in the market place for these services is an experience of which many Indians have only a limited conception. Not only is he deprived of the income to participate in the market place, but also he is denied the right to have his desires reflected in the market place. As long as this philosophy is continued the level of alienation from the market place of the Indian can only expand.

As economists the authors find themselves somewhat hesitant to comment on some of the sociological and psychological factors contributing to the problem. Yet these factors constitute a significant factor in the evaluation of the economic problem. Being alienated from the market place compels the Indians to accept a dependence attitude towards the government. This dependent attitude has over the years become one of hostile dependence responding to the government's paternalistic mood. This paternalistic mood is apparently the product of a bureaucratic structure struggling to overcome the short run problem without vision of the long run problem.

The hostile dependence of the Indian reflects this failure. He is dependent on the governmental services yet he desires to be released from their clutch. This release does not seem to be a part of the goals of the bureaucratic structure.

The nature of the hostile dependence has been discussed in great detail by many. In his book, **On the Theory of Social Change**, Everett E. Hagen⁵⁹ has conducted a case study on the Sioux Indians in which he thoroughly discusses this characteristic. One cannot help but be impressed by the remarkable resemblance of the Indians to this characterization.

An alternative to the current governmental philosophy seems imperative. Regardless of source, data collected on the Indian reflects little more than minimal gains in overcoming the poverty of the Indian. If we accept the superiority of the capitalistic market oriented philosophy of allowing the market place to properly allocate societies resources, then the service oriented strategy of our governmental agencies misallocates a highly significant resource, the American Indian.

Payment of income to families or persons with income below given levels is not a new idea. The Speenhamland system implemented in Berkshire in 1795 and later adopted by much of England in subsequent years is an example of one of the earlier attempts.⁶⁰ In recent years programs oriented towards an income strategy have concentrated towards either a guaranteed annual income or negative income tax plans. The negative income tax proposals being a form of a guaranteed annual income.

Such a proposal as some form of a guaranteed annual income seems to provide an alternative income strategy to the current service strategy. This is not to suggest that current programs should be abolished. Wisdom would suggest that this would not only be impossible but unwise. The Indian is not prepared to suddenly find himself an active participant in the market place from which he has been alienated for years. Time would be necessary to educate him in the expertise of this experience.

Culturally the Indian may never become the aggressive competitor characteristic of much of American Society. He could, however, become an active member of a most basic economic process, the process of the economic trade off between goods and services. It is this basic process which provides for economic

⁵⁹Everett E. Hagen, **On the Theory of Social Change**, (Dorsey Press, Homewood, Illinois, 1962).

⁶⁰It is suggested that the reader obtain Christopher Green's, **Negative Taxes and the Poverty Problem**, (Washington, The Brookings Institution, 1968) for further reading on the negative income tax proposals.

growth and increasing standards of living. Also only in this context can proper allocation of resources take place. It is only when the Indian is allowed to become an active participant in the basic economic trade off process that he can free himself from the clutches of poverty.

Economic Development

Agriculture. The state, the region, and certainly the entire nation has observed the decrease in the number of people necessary to produce sufficient food for the nation. The Indian reservations have experienced this same movement away from being an agricultural economy. In 1967 better than 75 percent of all income was generated from non-agricultural activities although agriculture still is the largest single source of employment. This transition has contributed a new dimension to the difficulties not only of the reservations, but also the state. Employment and income depends upon the transition from agriculture to industry.

Another dimension has been added by the land problem on the Indian reservation in the form of a most confusing land ownership problem. The Allotment Act of 1887 provided a 160-acre plot of land to each Indian family head. Less than 20 percent of the land was retained by the various governing bodies. In 1912 legislation provided that the Indian could apply to the Secretary of the Interior for a patent-in-fee which in effect gave the Indian the right to sell or lease his land. Not all applications are granted, yet many are. The result has been that a distinct checkerboard pattern of ownership has been created. In addition, as the allotments of 1887 have been passed down through the heirs, multiple ownership has developed. Upon attempts at selling or leasing this land, the transfer of these plots becomes a legal fiasco. The efficient utilization of this natural resource becomes almost impossible. To overcome this problem, the tribes have attempted consolidation with little success. Lack of funds renders success in the future unlikely.

Potential for development of agriculture on the reservation is not entirely impossible despite the inferior quality of the land. Dry farming possesses some potential and has thus far not been fully exploited. That dry farming which does exist in this area is done to a great extent by non-whites who lease the land. Cattle raising represents the major potential use of the land with much of the land currently engaged for that purpose.

Two recent studies have been completed reflecting upon the possibility of improving economic conditions through expansion of dry farming. In the first Vernon Malan ⁶¹ attempted to ascertain the factors which differentiated those Indians who successfully engaged in ranching activities from those who did not on the Pine Ridge reservation. Malan found that the mean earned income of non-ranchers was \$819 per year compared to \$5,257 for those involved in ranching.

Malan found that there were certain personal characteristics which set the successful Indian rancher apart from the non-rancher. He comments, "... (The ranchers) appear to have certain distinctive personal characteristics which mark them off from the rank and file of the reservation residents." ⁶² Ranchers appeared to have more "regular" households than did non-ranchers. By "regular" he meant that there was not in the household nor family individuals such as adopted or foster children or other relatives. Only 17.8 percent of the ranchers households were "irregular" by this standard compared to 37.4 percent of the non-ranching households.⁶³ A significantly larger percentage of ranch families were "complete" (possessing two parents) than non-ranch families.

The ranchers had completed on the average almost 2 years more education than the non-ranchers. In addition they had received better job training in the military or elsewhere than had their non-ranch counterparts. The health of non-ranchers was significantly worse than that of ranchers. Whether this was the cause or effect of their low income status was not discussed.

The study prepared by Carl Eicher ⁶⁴ was more specific in its analysis of both problems and solutions. His study was completed on the Rosebud reservation. Eicher found four constraints to progress in ranching and economic development on the Rosebud.

⁶¹ *The Dakota Indian Economy* (Agricultural Experiment Station Bulletin 509, South Dakota State College, Brookings, March, 1963).

⁶² *Ibid*, p. 8.

⁶³ *Ibid*, p. 9.

⁶⁴ "An Approach to Income Improvement on the Rosebud Sioux Indian Reservations", *op. cit.*

They are as follows.

First, the value orientation of the Tribal leaders and the government officials had not kept up with the changes in the prairie economy. Larger farms employing fewer people were called for by the advances in ranching. Yet the tribe still put its hopes for development in expanding land ownership.⁶⁵ Eicher points out that even under optional conditions dry farming could not support at above poverty levels more than one half of the families then on the Rosebud.⁶⁶

Second, the Sioux culture itself presents a barrier to advance. The existence of Malan's "irregular" family is evidence of this. The tendency for relatives, both close and distant, to move in on their better situated relatives discourages individual success by consuming its rewards. In addition, the government by providing services for the Indians on the reservations has created a culture of dependency. The existence of these services also tends to keep the Indians on the reservations rather than migrating to better economic opportunities.

Third, the capital market on the reservations is defective. Despite the Bureau credit programs, most Indians were forced to rely on normal credit channels for funds. There they faced the barriers of insufficient collateral, unestablished credit ratings and discrimination.⁶⁷

Fourth, the labor market on the reservation is imperfect. The evidence of this is the overpopulated conditions on the reservations. The problems for the Indian of leaving the reservation and becoming part of the non-Indian culture are discussed elsewhere in this report. But the fact pointed to by Eicher is that attempts to increase outmigration from the reservations have failed.

⁶⁵As is noted below this attitude appears to have changed.

⁶⁶*ibid*, p. 195.

⁶⁷Malan also found in his study that having access to loanable funds was an important factor in economic success.

On the basis of his analysis Eicher contends that attempts to base economic progress on the reservations on agriculture be abandoned. In their place attempts should be made to increase the mobility of Indians and to improve non-farm job opportunities on the reservations.

Tourism. Tourism as an industry in South Dakota is second only to agriculture. Yet it is an industry that has not been fully exploited. Tradition and scenery provide a formidable potential for expansion.

The State of South Dakota has expanded promotional expenditures for tourism to better than a quarter of a million dollars in recent years. Response to this promotion has been that some 3.8 million persons have flooded to the Black Hills National Forest in recent years. Expenditures by tourists have blossomed to better than \$150,000,000 annually. The western section of the state and the Black Hills region provide the greatest potential for development. The impetus of this region provides the key to the future development of tourism on the reservations.

The Indians must coordinate their tourism development with the expansion of tourism in the remainder of the state. The Badlands area of South Dakota currently enjoys the benefits of having the greatest potential for expansion. The potential of the Indian Tourism program rests upon the exploitation of this asset.

Tourism as an industry provides an outlet for the Indian which may well complement his tradition. The inclination of the Indian towards dry farming has not been great. Tourism provides an alternative commanding that service-oriented growth would be encouraged rather than the expansion of primary activities such as agriculture. A South Dakota Department of Highways study recently indicated that \$24 per camper party and \$42 for other kinds of parties was expended per day. Of this expenditure a sizable amount will go for services.

In summary tourism offers potential that must necessarily be included in any overall economic development program. It is a potential which cannot only be developed internally on the reservation, but which must be coordinated with the overall development of the state economy.

Industrial Development. In recent years, particularly since 1960, industrial development has received considerable emphasis on all U.S. Indian Reservations. This point is illustrated in the following Table V-4. Credit for this development goes to the Bureau of Indian Affairs, the Area Redevelopment Administration, the Economic Development Administration, and the tribes. Paralleling this growth has been the general growth in economic activity during the same period as well as the growth in defense spending which supplements production of light-weight goods which normally will be found being produced on the reservation.

TABLE V-4
INDUSTRIAL PLANTS ON U.S.
INDIAN RESERVATIONS, 1957-68

Fiscal Year	Plants Established	Plants Closed Down	Plants in Operation (End of Yr.)	Labor Force	
				Indian	Non-Indian
1957-59	4	1	3	391	171
1960	3	0	3	525	156
1961	4	0	4	702	505
1962	5	1	4	887	600
1963	6	2	4	1,395	1,719
1964	14	7	7	1,668	2,286
1965	21	6	15	2,011	2,479
1966	21	4	17	3,044	3,244
1967	23	3	20	3,730	3,666
1968	36	3	33	4,112	4,375
Total	137	27	110		

Source: Data on plants established from U.S. Bureau of Indian Affairs, "Summary Record of Plants Established As a Result of Indian Industrial Development Program," unpublished tabulation, August, 1968. Data on plant closings from U.S. Bureau of Indian Affairs, "Summary of Plant Closings," unpublished tabulation, July, 1968. Data on Indian and non-Indian labor force from Bureau of Indian Affairs (no title), unpublished graph, given to author by Mr. Gordon Evans, Branch of Employment Assistance, September, 1968.

Delineation of a basic philosophy of industrial development on the reservation is difficult. Some 1,500 concerns move every year throughout the U. S. with cities and states from the entire nation vying for each to relocate with them. Many of these states and cities have highly sophisticated industrial development commissions. On most of the reservations this level of sophistication has not been obtained making it very difficult for them to compete for these firms.

2A

Hard realities dictate that very rigid limitations to development exist on the reservations. The first of these limitations is the locational factor. A potential firm must be concerned with its ability to transport its products out as well as transporting in the resources it will use. In addition, the road system must be such that if the firm is relying upon a local market, the populus must have easy access to points where the goods are sold.

The Bureau of Indian Affairs has the responsibility of providing the maintenance and improvement of Indian reservation roads since county road service is not provided. During 1964 for the national as a whole the Bureau spent \$206 per mile on road maintenance and improvement, while the rural county road system for the nation as a whole spent \$415 per mile. Inadequate expenditures have led to inadequate roads.

As for railroads, none of the reservations in South Dakota has a railroad running through them nor is there one near. Airstrips which are available are far below aviation safety standards. The adverse location of South Dakota's reservations with inferior modes of transportation constitutes a very significant limitation to their potential industrial growth.

The second limitation worth mention is the lack of a market. The poverty conditions of the Indian precludes the existence of sufficient demand to support firms relying on local spending. Even if their incomes were raised, additional problems would arise due to the scattered nature of the population and the road system. One effect of these conditions would be that the type of firms which would enter the reservations is severely limited. Generally only lightweight industry would be possible since their goods could be produced on the reservations and shipped to an external market.

A final major limitation has to do with the qualities of the human resource. In the section of this report on education, it was observed that the level of education on the reservation is very low. In addition, very little vocational training has been provided. The result is, then, that there is a great deficiency of semi-skilled and skilled manpower.

A final comment concerning the human resource is the problem of absenteeism. On many of the South Dakota reservations, firms have indicated that the turnover has run as high as 200-400 annually. The result is that these firms have cut back

on the hiring of the non-white in an attempt to overcome the loss in production resulting from the turnover. This problem is particularly injurious to the small firms with limited resources who cannot afford these temporary lags in production.

Formidable as it may seem, progress has been made. Contributing to these successes are a number of factors. The first of these is the low labor cost. Table V-5 reflects the differentials between the average wages on the Pine Ridge Reservation and the remainder of the United States. Virtually all non-supervisory employees have a beginning wage equal to the minimum wage. Bureau of Labor statistics indicate that the average hourly wage in manufacturing is approximately \$2.80 per hour or well above the average wages paid on the reservations.

TABLE V-5
AVERAGE WAGE, VARIOUS OCCUPATIONS
Pine Ridge Reservation and United States
1966

Occupation	Pine Ridge	
	Indian Reservation	United States
Laborer	\$ 1.55 ¹	\$ 2.25 ¹
Truck Driver	1.60	2.35
Carpenter	2.80	3.10
Electrician	3.25	3.30
Painter	2.55	3.05
Bricklayer	3.30	3.35
Plumber	3.25	3.10
Crane Operator	2.00	2.60
Cook	1.60	—
Clerk	225.00 ²	440.00 ²
Secretary	200.00	425.00
Typist	175.00	350.00

Source: Bureau of Indian Affairs, Industrial Facts, Pine Ridge, South Dakota (mimeographed), February, 1968, p. 6; U. S. Department of Labor, "Wages and Related Benefits," Bulletin 1385-82 (Government Printing Office, December, 1964).

¹Per hour.

²Per Month.

Thus far, none of the existing plants are unionized. One of the goals of most unions is to eliminate regional wage differentials. Yet unionization on the reservations would likely retard increased industrialization. Likewise the increase in the minimum wage has likely decreased potential industrialization since the low labor costs constitutes one of the major reasons for firms selecting the reservations for plant location. Complementing the low labor costs is the virtual absence of fringe benefits. Those that are available are far below the ones on off-reservation settings.

Another factor contributing to the successes in industrial development has been the existence of certain tax advantages. Property located on the reservation is exempt from the high state property tax due to the public nature of the ownership. As a manager of one of the firms located on one of the reservations indicated, if it were not for this exemption his firm could not afford to locate on the reservation.

Further supporting industrial development on the reservation has been the activities of the Area Redevelopment Administration and its successor, the Economic Development Administration. The scope of the EDA activities in 1967 is reflected in Table V-6. As was the case under the ARA, the EDA will make loans up to 65 percent of the cost of land, machinery, equipment, and buildings. The interest rate in 1966 was 4 1/4 percent and the borrower has up to 25 years to repay. Also under its Business Assistance Program working capital guarantees of up to 90 percent can be obtained on the unpaid balance.

Table V-6
ECONOMIC DEVELOPMENT ADMINISTRATION
GRANTS AWARDED IN FISCAL YEAR 1967
State of South Dakota
Indian Reservations

Development Facilities Grants

Lower Brule Sioux Tribe	18,880.56
Crow Creek Sioux Tribe	58,400.00
Pine Ridge Reservation Development Co.	34,400.00
Rosebud Sioux Tribe	40,000.00

**Planning, Technical Assistance and
Research**

Rosebud Sioux Tribe	48,720.00
Total	\$254,150.56

Source: Department of Commerce.

Thus far the authors have indicated some of the limitations faced in continued development as well as noting some of the advantages of the Reservations. The obvious question then is what is the future for the development on the reservations. The section on income commented that the Indian is not the aggressive person that his counterpart in the remainder of American society is. In addition, he seems to be more oriented to the present than to the future. For effective planning for development visions of the future are necessary. This along with the problems earlier mentioned make development in the future seem remote. This is not to say, however, that it is impossible as has been demonstrated on the Rosebud Reservation. It can be suggested, however, that recognition must be made of the hard realities to be encountered.

Manpower Development

Because of the unskilled nature of the worker, manpower development must become a very integral part of any potential industrial development. This has become one of the major features of the Bureau of Indian Affairs Industrial Development Program.

As a part of their program, the Bureau will reimburse the employer one-half of the minimum wage while the employee is in the training stage. Since the productivity of many employees is well below the break-even point during the initial stages of their employment, this subsidy becomes highly significant.

Through the Bureau of Indian Affairs Employment Office and the local and state employment service, recruiting and screening of potential trainees is simplified. In recent years, standards employed in selecting trainees have been significantly raised in order to insure greater success. In addition, these grants for on-the-job trainees are not made unless the Bureau is relatively certain that the firm can successfully survive. As a point in fact they will actually discourage potential firms by refusing the grant if doubt exists.

Economic Development on Rosebud

From preliminary indications many of the barriers mentioned above appear on the way to being overcome on the Rosebud reservation. Table V-7 indicates the types of manufacturing plants currently on the reservation or in the process of locating there and the corresponding current and projected employment figures. It is estimated by the Economic Development Office at Rosebud that these 790 manufacturing jobs will produce 350 service oriented jobs or an increase in employment of 1,140.

TABLE V-7
MANUFACTURING ON THE ROSEBUD RESERVATION:
Current and Projected

	Current	Employment	
		1969	1972
Rosebud Manufacturing ¹	40	60	120
Rosebud Electronics	75	150	300
Rosebud Sign Techniques ³	5	30	80
Rosebud Diversified Arts	5	N.A.	35
American Foods	0	85	350
Firehawk Project ⁴	0	40	85
	125	365	790

¹Producers of laminated counter tops and cabinets

²Producers of harness cable for I.B.M. computers

³Manufacturers of reflectorized signs

⁴Commercial recreation

Source: Economic Development Office, Rosebud Reservation, November, 1968.

The first steps toward development on Rosebud have been taken. Rosebud is set apart from the other South Dakota reservations in two respects: First, there is something happening. A stable and progressive tribal government has been elected. A smoothly functioning C.A.P. is in operation and providing high quality services to the reservation population in addition to employing over 200 on its own staff. An Economic Development Office, headed by a non-Indian, has been established to recruit industry. The above mentioned statistics testify to its effectiveness.

Second, the people on the reservation have hope. This feeling of optimism is unique among South Dakota reservations. The improved job opportunities and better living conditions have contributed to this feeling. Unemployment on the Rosebud has fallen from 88 percent 5 years ago to an expected 35 percent this year. This achievement is even more impressive considering that the improved living conditions have swelled the Rosebud population.

This feeling of optimism appears to be well founded.

Why has Rosebud started to move? The authors suggest the following explanations.

1) Rosebud has a stable Tribal government. On many reservations tribal councils change so frequently that development policy has no chance of implementation. As tribal councils change so does policy toward existing and prospective firms. The movement of the fishhook factory from Pine Ridge to Rosebud

was the result of a capricious policy change by a new administration. The necessity of a stable government as a precondition for development has a long testimony in the literature of economic development. The case of Rosebud can be added to the list.

2) Rosebud has taken a realistic approach toward her abilities and limitations. She has sought industries which exploit the advantages listed above. The Rosebud Electronics makes use of the low cost labor pool available. The new food processing plant will supply such unusual but available items as pheasant and buffalo dinners to the airlines for their gourmet flights. The Firehawk project is designed to tap the tourist potential. These plans call for the construction of several low cost high quality "teepee" like motel units each with several rooms. In addition other tourist amenities will be provided. The Economic Development Office estimates that upwards to a quarter million tourist dollars will be trapped that now escape.

3) The Rosebud Tribal Council has adopted sound business practices in its dealings with existing and potential firms. In most cases the tribe serves as entrepreneur setting up the operation and entering into a long term contract with the firms. This is not always the case on other reservations. In addition the Council has availed itself of professional services in economic development.

The above is not to indicate that there are no problems on Rosebud and that a bright future of growth is assured. But the first steps have been taken. The experience of Rosebud may well serve as guidelines for the other reservations to follow.

Conclusions

The above analysis has been critical of most of the current programs designed to eliminate Indian poverty. It must be made clear that these are fundamental criticisms which stem from the philosophy adopted and followed by the government. The objections can not be overcome by adopting more programs and spending more money unless the whole approach currently used is abandoned and replaced. The service philosophy must be replaced with an income philosophy. Decentralization of decision making must come. The government's approach that the Indian must be protected from his own mistakes by centralized planning must be rejected. The Indians will make mistakes but this is an integral part of the process which will bring to them an understanding of their problems and ways of solving them.

The comment is frequently made that the solution to the reservation problem is the destruction of the reservations. It is true that the reservations are an artificial anachronism inflicted by the government on a defeated people. But there is impressive evidence that the destruction of the reservation would create more problems rather than less.

The culture of dependency which has been created by the government programs reinforced by the traditional cultural orientation of the Sioux means that the reservations will remain into the future and attempts to move the Indians from the reservations in large numbers will fail. Carl Eicher has put the problem this way:

This study suggests that the Rosebud Reservation will continue under federal jurisdiction into the indefinite future if the Rosebud Indians are allowed to make the decision. This research reveals that many Rosebud mixed blood ranchers wish to maintain the reservation as an economic privilege for tax advantages and income security whereas many full-bloods seek to perpetuate the reservations as an economic necessity for general welfare assistance, free board and room for children in boarding schools and free medical and dental care. Therefore economic privilege and economic necessity interact to reinforce the need to perpetuate the reservation system under federal control for at least another generation.⁶⁸

⁶⁸Eicher, *op. cit.*

CHAPTER VI

Summary and Conclusion

This last chapter is a summation of the conclusions reached in the previous chapters. Of the American poor there is no group more destitute than the American Indian. Yet his poverty has virtually been overlooked. The purpose of this report was threefold: 1) To characterize and describe Indian poverty in South Dakota, 2) to measure the impact of this poverty, in economic terms, on the economy of the state, and 3) to analyze some of the programs in operation to ease the Indian's economic distress.

Background

In Chapter I the groundwork for the study was established. The different concepts and definitions of poverty were discussed. The authors elected to follow the general practice and use an income standard of \$3,000⁶⁹ for a family of four. The authors did this fully recognizing that since the poor usually consumed or spent more than they earned, a consumption standard might be more appropriate. The income standard was selected because of the availability of data in that form.

Characteristics of Indian Poverty

In Chapter II the characteristics of South Dakota Indian poverty were detailed. The percentage of the states population which is Indian has risen in the past 18 years from 3.4 to 6 percent due to the relative stagnation of the states population and the higher outmigration rates for non-Indians and higher return rates for Indians who do leave.

The majority of South Dakota's Indians live on reservations in the west central region of the state. An inordinantly large percentage of the Indian population is too old, too young or too infirm to be productive members of the labor force. When these

⁶⁹ In constant 1962 dollars.

are added to the women who cannot work due to family care, then 78 percent of all Indians are in the "dependent" category. This places a great economic burden on the rest of the Indian labor force.

Although most Indians own some land most of them do not work it. Over the years the lands on the reservations have been sold to non-Indians or parceled out among the heirs of the original Indian owners. The resulting patchwork of small plots cannot be farmed or ranched efficiently. Since the Indians lack sufficient capital of their own to combine holdings, most lease their land to others. The fact that most Indian holdings are small and not highly productive means that income from this source is welcome but not bountiful.

Despite the fact that less than one-quarter of South Dakota's Indians are in the labor force, unemployment and underemployment are widespread. Almost 40 percent (39.7) of South Dakota's Indians in the labor force had no jobs of any nature in 1967-68. Only 35.4 percent held permanent positions. The unemployment rates for men were much higher than for women (44.6 to 31.1 percent). Many of those who were not listed as unemployed were "disguised" unemployed in that they worked on farms but added almost nothing to output and would take other jobs if they were available.

Of the sources of employment farming provided, by a slight margin over government employment, the most jobs. But government jobs (Federal and Tribal) provided by far the largest amount of aggregate income. On one reservation 46.2 percent of those employed worked for the federal government either with the Bureau of Indian Affairs or the Office of Economic Opportunity. When tribal jobs were included the percentage rose to 52.7.

Besides farming and government works there are almost no jobs available to the reservation Indians. The Bureau of Indian Affairs listed only 296 Indians employed in manufacturing in the state as of the middle of 1968.

The lack of job opportunities leads to conditions of deepest poverty. Over 79 percent of all South Dakota Indians had incomes below the government's poverty line. Per family incomes ranged from a low of 1,731 on Crow Creek and Lower Brule Reservations

to a high of 2,572 on Rosebud. This was from 23 to 31 percent of the average family income in the state taken as a whole.

The sources of Indian income were identified. Over forty percent (43.4) of those Indians on one reservation received totally unearned income; ie, income from leases, pensions, and/or welfare transfers. Lease income was more important as a source of unearned income than was welfare with over 50 percent (51.9) receiving income from this source. Eighty-three percent of those with land leased all or part of it. Thirty-five percent received welfare and/or pension payments.

The data presented concerning Indian income in South Dakota given in Chapter II indicated that most Indians had incomes well below the poverty line. Despite the notion to the contrary, the lease incomes and government transfers were not high. The contention that while Indian employment is low the Indian never-the-less received substantial amounts of unearned income was rejected. The income position of the mixed blood Indians was considerably better than that of the full blood.

When the figures on Indian poverty in the state were compared with the corresponding figures for the state as a whole, the following was indicated. The percentage of the state's population in poverty is between 33 and 26. This is one of the higher poverty incidences in the nation. Yet 79 percent of the state's Indians fell into the poverty group. Put a bit differently, Indians comprise 6 percent of the states population but comprised 9 to 13 percent of the total poor. Note must be taken of the fact that the figures show quite clearly that the poverty problem in the state is not predominantly Indian.

In the authors investigation of Indian education, it was found that educational achievement was well below the United States average. While the average American had finished 10.6 years of school (12.0 for whites and 9.0 for Negroes), the average South Dakota Indian had finished only 8.4. Only 20 percent held high school diplomas as compared to 50 percent of U.S. Whites and 27 percent of U.S. Negroes. The completion rates improved as the age of the reservation resident fell.

The factors which appeared to have the most bearing on failure or success in school can be summarized as follows. Mixed

bloods did significantly better than did full bloods with mixed blood females outachieving any other group. Those who had lived off the reservations did better than those who had not. The most significant factor appeared to be the language spoken in the students home. Those coming from homes where only English was spoken achieved the most. Those from homes where the major language used was the native Lakota achieved the least. this reflects the cultural barriers to educational success as well as the use of English in the schools.

The Indian dropout rate was twice the national average occurring primarily at the end of the 8th grade or during the first year of high school. One reason for this was the fact that there was little economic reward to staying in school. The few jobs available on the reservations required neither much training nor skill.

Living conditions on the reservations reflected the low incomes and poor education of South Dakota's Indians. Most Indians live in substandard homes. Sanitation is primitive with water generally being obtained from unsafe sources and waste disposal often being nothing more than the spreading of garbage and human waste around the premises. Many Indians still live in tents and abandoned car bodies.

Although public utilities are available to the Indians, most lack sufficient income to take full advantage of them.

The picture concerning Indian health is likewise discouraging. Despite the availability of free care furnished by the Public Health Service, health conditions on the reservations are very poor. The Health Services available to the reservation Indians are concentrated at one place. This creates problems in that the Indian is unable to negotiate the long distances which often must be traveled. The lack of ambulances or public transport systems intensifies this problem.

While the birth rate in the nation has been falling, the birth rate among South Dakota's Indians has risen. The increase in Indian birth rates is due to their rejection of contraception and the somewhat improved health conditions which have increased live births and full term pregnancies.

Comparing health figures for South Dakota's Indians with

Indians across the country and the population of the United States as a whole, it was found that the South Dakota Indians had higher disease and death rates than either other group. Particularly significant was the infant mortality rate which was 5 times the national average. South Dakota Indians had much higher death rates from those causes usually associated with poor living conditions; ie, respiratory, digestive, infective and parasitic diseases. Significant also was the finding that deaths due to accidents (motor vehicles included) were 4 times as frequent among Indians as the general population. Since disease and death rates for South Dakota Indians exceeded those for Indians on other reservations, it is appropriate to assume that living conditions are worse in this state for Indians than they are elsewhere.

The problems of mental health are also serious as reflected by the rates of alcoholism and suicide. The suicide rate may run twice the national average and up to 80 percent of the Indians have problems with alcohol. These psychological problems reflect the strains of the cultural conflict with which the Indian appears unable to cope.

The result of these health conditions is a life expectancy of 20 years less than the national average (43.5 to 63.3 years).

Reservation Marketing Systems

Phillip Fisher in Chapter III studied the marketing system in Indian counties and compared them to non-Indian counties of similar population density and family income. In order to get a large enough sample some North Dakota counties were included. Fisher found the marketing systems in reservation counties to be generally deficient. The deficiencies could not be explained by population density and income alone since the inadequacy was significantly greater for the Indian counties than for the non-Indian counties having similar characteristics.

Two reasons for this disparity were suggested. First, there is not sufficient indigenous capital on the reservations to supply local businesses. Second, due to cultural differences the Indians appear less inclined to go into business than do their non-Indian counterparts.

Cost of Poverty

One goal of this study was to provide an idea of the impact

of the existence of this deprived group upon the economy of South Dakota. Chapter IV reveals the fact that a loss of aggregate demand to the state ranging from 6.9 million to 17.1 million was experienced depending upon the income base and the multiplier employed. Viewing the loss of aggregate demand as a loss in sales to the state it was also discovered that as a percentage of total taxable retail sales the loss amounted to .7 to 1.8 percent.

To the state as a whole this loss in sales must be viewed as a cost in terms of sacrificed income. This factor is particularly revealing when one takes cognizance of the multiple impact of an increase in aggregate demand as this increase is resented by the income receivers. This impact is revealed in Chapter IV through the use of the multiplier.

While revealing the costs in terms of the loss in aggregate demand one cannot help but discover the benefits experienced by the state due to the existence of this poverty stricken group. This paradox is revealed by the fact that sizable sums flow into the reservations and into the state through the government machinery designed to alleviate poverty. Public and General Welfare assistance paid to the Indians amounted to better than \$2.8 million for 1967 or \$486.78 per household. At the same time the Bureau of Indian Affairs has a budget of over \$22 million annually with a salary base of better than \$450,000 annually in the Aberdeen Area Office. These figures reflect vividly the fact that large sums flow into South Dakota solely for the purpose of overcoming the Indian poverty problem.

Evaluation of Current Programs

In Chapter V the authors evaluated those programs which have been established to eliminate the Indian destitution. Those programs evaluated are those administered by the Bureau of Indian Affairs, Office of Economic Opportunity and the Public Health Service. These programs make up the bulk of the major programs currently in existence. These programs have been categorized by the services provided rather than individual agency.

In a survey conducted on the Pine Ridge Reservation by the Public Health Service, housing was found to be the major need expressed by those participating in the study. To meet this expressed need seven different housing programs have been designed and employed. Through these programs in a short span of

three and one-half years, 1,396 homes have been either constructed and occupied, put under construction, and/or repaired or are programmed for construction in South Dakota. In addition many more are projected for 1969.

The authors of this study have evaluated these housing programs quite favorably. Through these programs an environment of change has contributed to newborn enthusiasm for the fulfillment of new goals of higher standards of living. Through this environment of change the public housing authorities on the various reservations in coordination with the various granting agencies much can and is being accomplished in providing for adequate housing for the South Dakota Indian.

Included in the projects for the elimination of inadequate housing are the following programs.

The first program discussed is housing improvement. To repair, remodel, or relocate to meet acceptable standards of decent and sanitary housing has been the goals of this program. Assistance under this program has been provided for 285 units since the inception of this program.

Under the low rent housing program 476 units have been programmed and constructed. Rents in these units run from \$30-\$78 per month. The mutual help housing program provides through "sweat equity" a low cost form of housing renting for as low as \$7.50 per month. Approximately 180 units have been funded thus far with more projected for the future.

For the purpose of providing temporary housing until replacements may be provided transitional homes have been built under a program adopted on the Rosebud Reservation. Costs per month to the Indian is approximately \$5.00 per month. Currently 375 units in this category have been funded and nearly constructed.

To fill the gap of those Indians with incomes larger than accepted to occupy the low rent housing units and yet below the high income standards a middle income housing program has been developed on the Pine Ridge Reservation. Fifty units have been constructed.

One of the most promising categories of housing is the various Turnkey programs. Under these programs the development of low income housing by private developers is encouraged. In concurrence with the intentions of H.U.D. this program encourages the selling of the housing to the Indians. To finance these projects local housing authorities obtain funds from private sources who are encouraged to make the loans by the fact that the H.U.D. guarantees the loan. The difference between the various Turnkey programs (Turnkey I, II, III) lies primarily in the incident of the responsibility to manage the homes. Turnkey III being particularly favorable in that through "sweat equity" equity in the home may be gained by doing the maintenance work themselves and by helping pay for their homes as their income rises.

As suggested in Chapter V problems have been encountered in developing the various housing programs. To overcome some of these programs the authors suggest that consideration be given to the following proposals. The first proposal being that greater coordination between the various granting agencies should be fostered. The need for this being vividly reflected by the fact that with joint funding funds to provide the various components of the homes are not always provided concurrently the result being that homes are left idle.

A second proposal is that standards employed might temporarily be lowered in order that construction costs might be lowered sufficiently to enable construction of homes for which the rent will be low enough for the very poorest to obtain shelter. Rents of \$60 per month cannot be considered low for a household with incomes of less than \$1,000 annually.

Two final considerations are that inspection by agencies could be accomplished jointly and consideration might be given to furnishing the homes. With multiple cooperating agencies, each with the responsibility to inspect the facilities, excessive annoyance of occupants exists. Finally many homes have few furnishings and assistance in this area could provide for increased convenience in the homes.

Educational programs have not been evaluated as favorably as those programs related with housing. This feeling has grown after observing the level of achievement obtained by the Indian. Approximately \$350 per capita was expended by public and

private sources to educate the Indian while for the State of South Dakota as a whole only \$161 per capita was spent on education. This paradox of low achievement and high spending speaks poorly of the Indian education program.

Causes of this failure were found to be many. Students coming from poverty stricken homes could not be expected to do well in school. In addition even if the Indian were to complete his education the lack of rewarding and stimulating jobs on the reservation does little to encourage this attainment.

The schools provided by the government also must be faulted as contributing to the failure to educate the Indian. Indian young people many times felt that the teachers either did not like or understand Indians. Acculturation, traditionally a function of American schools, has led to resentment making the transition to an alien culture painful. This contributed further difficulties in the educational process.

Another cause has been the traditional methods of classroom instruction. As a non-competitively oriented member of society, the Indian refuses to compete in the classroom environment as does his non-Indian counterpart. Thus educational achievement cannot be measured in a comparative manner. This problem is further enhanced by his difficulty in communication when one recognizes that many come from homes where Lakotah rather than English is spoken.

Two final causes are witnessed by low teacher salaries, encouraging teacher turnover, and the lack of parental involvement in the schools.

To overcome the educational problems the authors have accepted those suggestions given by Dr.'s Mindell and Maynard along with two additional suggestions of their own. In summary Dr.'s Mindell and Maynard have suggested de-emphasizing acculturation of the Indian, greater parental involvement, orientation programs for those entering boarding school, increased efforts in adult education, placing N.Y.C. members into social service jobs and changing tribal laws to make it obligatory for Indian students to remain in school until they graduate from high school or reach 18 years.

The suggestion of the authors is that educational stipends should be provided for those who stay in school. Complementing this suggestion is a proposal that an education grant system should be instigated. The grant system is being designed to replace the current Indian schools.

The responsibility for providing adequate health services to the Indian has been accepted by the U.S. Public Health Services. In analyzing the various programs of the Public Health Service, two conclusions were reached. First, physical ill health among the Indians of South Dakota exists to a greater degree than it does for the U.S. Indian as a whole. Secondly, service centers which exist are not easily reached by all Indians. The reasons for these conclusions are that the health services are too highly concentrated and that communication and transportation are inadequate thus making it difficult for the Indian to avail himself of the health services.

To overcome these difficulties the following suggestions have been rendered by the authors. The suggestions take the form of decentralization of health care facilities, expanded programs of mental and dental care, a public relations campaign to further acquaint the Indian with available health services, and expansion of the health component of the Community Action Program (C.A.P.).

The core of these proposals are such that a new governmental philosophy towards Indian health would be necessary. The philosophy necessarily would change from a crisis oriented philosophy to a philosophy of prevention and rehabilitation.

Maintenance of income has not been one of the primary goals of the governmental philosophy towards the Indian. The philosophy by and large has been one of service rather than income.

The result of this strategy has been that the Indian has been alienated from the market place. The operative functions of the market system have been rendered inoperative in the allocation of the human resource on the reservation. The system cannot allocate the resource and the resource has not been granted the privilege of reflecting his vote in the market place due to his low income level.

As an alternative to the service orientation of the government strategy some form of an income strategy needs to be established. This alternative strategy could take the form of a guaranteed annual income or negative income tax. Through such a proposal increased income could be experienced allowing the Indians to become an active participant in the market place.

This proposal is not to suggest that current programs should be eliminated. The Indian currently is not prepared to become a participant in the market place. For many years he has been alienated from the market place and time would be necessary to educate him in the expertise of this new experience. It can be said however, that a gradual conversion to such a philosophy would provide for the adaptation of the Indian to the new and desirable experience.

As has been experienced throughout the entire nation the dimension of the need to convert from an agricultural to an industrial economy is apparent on the reservations. This has been reflected by the fact that in 1967 better than 75 percent of all income was generated from non-agricultural activities on the reservations.

Tourism has been one alternative to which the Indian may turn. Spurred by the tourism potential of the state, the Indian, by cooperation in the state tourism plan may find potential which will complement his tradition as well as provide increased employment and income.

Recently industrial development has been given considerable emphasis as the primary alternative to agriculture. In Chapter V the authors have suggested that despite the progress which thus far has been experienced rigid limitations are in the path of industrialization of any great magnitude. These limitations consist of poor transportation facilities, lack of a concentrated market place, and the quality of the labor force.

As indicated progress toward industrialization has taken place, the reasons for this progress consist of low labor costs, lack of unionization, existence of certain tax advantages, and the activities of the Economic Development Administration in providing needed capital.

An analysis of these factors reflect the fact that industrialization at best depends on overcoming the primary obstacles of lack of capital, improvement of the human resource, and the providing of an adequate transportation system. Even with these obstacles removed the nature of potential firms will to a great degree be limited to lightweight industry which can ship the finished goods to external markets. It is doubtful that the internal market will grow sufficiently to support much industrialization on its own.

The most encouraging sign that there is a solution to Indian poverty is the Rosebud Reservation. The unemployment rate has declined from 88 to 35 percent in the last few years. New industry is coming in. The success of Rosebud is due to her stable Tribal government, her realistic approach to her abilities and limitations, and her use of sound business practices. Rosebud is a long way from having solved all her problems, but there is much to be learned from her accomplishment.

The authors of this study do not feel that the problem of Indian Poverty in the state defies solution. The authors do feel that some of the current programs contribute to the problem rather than to its solution. Throughout their investigation the authors have been impressed with the need for rethinking the entire approach. It is their hope that this report may contribute to this process.

Appendix A**Individual Reservation Summaries**

Source: South Dakota State Data Book, Public Health Service,
Bureau of Indian Health.

THE
RESERVATIONCHEYENNE RIVER RESERVATION,
SOUTH DAKOTA

LOCATION: The Cheyenne River Reservation is in north central South Dakota, encompassing most of Dewey and Ziebach Counties. In addition, some lands assigned to individual Indian families are located in Haakon, Meade, Perkins, and Stanley Counties.

Principal settlements - (1960 pop.) Eagle Butte (pop. 495); Cherry Creek (pop. 300); Promise (pop. 100); Red Scaffold (pop. 190); Thunder Butte (pop. 100); and White Horse (pop. 150).

Nearest off-reservation towns in South Dakota 91960 pop.) Dupree (pop. 548) 16 miles west of Eagle Butte. Aberdeen (pop. 23,073) about 170 miles northeast of Eagle Butte. Pierre (pop. 10,088) 116 miles southeast of Eagle Butte.

BIA Field Office - Cheyenne River Agency, Eagle Butte, South Dakota.

LAND: Over 1,500,000 acres about equally divided into tribal land and land in individual Indian ownership. About half of this acreage is non-Indian operated. Principally open grazing land, with some farm and timber tracts.

* * * * *

TRIBE: Sioux

POPULATION: 3,400 estimated in PHS service area in 1965

5,810 enrolled tribal members in 1965

THE
PEOPLE

CHARACTERISTICS: **Blood quantum** - 47% fully Indian in 1950; 78% one-half or more Indian. (No more recent data)

THE
RESERVATION

Homes - Typical dwelling a 1-2 room frame or log house. Only 18% have electricity, 10% have refrigerators. Water must be hauled more than half a mile at 84% of homes, generally from contaminated surface sources. Most homes have unapproved-type privies for waste disposal.

Education - 74% of persons 14 years of age and over finished grade school (1960). 92% of persons aged 6 and older read and speak English (1950). 80% of children attended school in 1967, mostly BIA schools.

Livelihood - Average family income less than half that of all rural farm families in South Dakota. Source - Migrant labor; cattle sales; some small return from farm and grazing land leases.

**CROW CREEK RESERVATION,
SOUTH DAKOTA**

LOCATION: The Crow Creek Reservation is in the central portion of South Dakota, mostly in Buffalo and Hughes Counties with holdings in Brule and Hyde Counties. It is separated from the Lower Brule Reservation by the Missouri River which flows between Pierre to the northwest and Chamberlain to the southeast. The Crow Creek Reservation lies to the north of the river.

Principal settlements: - Principal Indian settlement is Fort Thompson (1960 pop. 150). Smaller settlements at Joe Creek and Stephan.

Nearest off-reservation towns in South Dakota (1960 pop.) Chamberlain (pop. 2,598), 25 miles from Fort Thompson and Pierre (pop. 10,088), 65 miles away.

BIA Field Office - Pierre Agency, Pierre, South Dakota.

LAND: Around 150,000 acres, primarily grazing land. Much sub-marginal land. A large part of the most productive area is leased to non-Indians for grazing. Construction of the Fort Randall Reservoir has reduced the land base of this reservation considerably, particularly the timber along the Missouri River.

* * * * *

TRIBE: Sioux

POPULATION: 1,500 estimated in PHS service area in 1965
1,821 enrolled Tribal members in 1962

CHARACTERISTICS: **Blood quantum** - 50% fully Indian; most of the remainder are one-half Indian.

Homes - Typical dwelling a 2-room log or frame house. 4.6 persons per dwelling unit. 1.8 persons per room (median).

Education - 90% of persons aged 6 or older read and speak English (1950). About 90% of children aged 6-18 at Pierre Agency including Lower Brule, attended school in 1957. Majority were at BIA schools, but one out of four attended mission or other schools.

Livelihood - Average family income slightly above the median for all reservation Indian families in the State, but only two-thirds that of all rural farm families in South Dakota.

Source - Cattle raising, farming and wage work, supplemented by land rental payments.

THE
PEOPLE

THE
RESERVATION

FLANDREAU COMMUNITY, SOUTH DAKOTA

LOCATION: Scattered tracts of land in Moody County, east central South Dakota comprise the Flandreau Community. One large tract of government-owned land forms the campus of the Flandreau Indian Vocations. School which is quite separate from the community.

Principal Settlement — A small group of Indians live near the school; others are scattered over individual tracts of land.

Nearest off-reservation towns in South Dakota (1960 pop.) - Flandreau (pop. 2,129); Dell Rapids (pop. 1,863); 22 miles south of Flandreau.

BIA Field Office - Flandreau School, Flandreau, South Dakota.

LAND: 2,100 acres of tribal land and some 640 acres of land owned by the Federal Government. Tribal land is dry farm land with open grazing tracts. The tribal land is divided into tracts of 80 acres, each of which has been assigned to an individual Indian family. The government-owned land is devoted to the Flandreau Indian Vocational School attended by children from many Indian communities in North Dakota, South Dakota, Wyoming, Montana, and Minnesota.

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TRIBE: Santee Sioux (Indian group exclusive of students at school).

POPULATION: 250 local residents in PHS service area in 1965
526 students at Flandreau Indian Vocational School

THE
PEOPLE

289 enrolled Tribal members in 1950
(No more recent data)

CHARACTERISTICS: **Blood quantum** - 21% fully Indian in 1956; 91% one-fourth or more Indian.

Homes - Typical dwelling a frame house.

Education - All persons aged 6 or older read and speak English. Most children attend school.

Livelihood - Average family income as low as that of the average family income at any other reservation in North Dakota or South Dakota. Far less than half the average of all rural farm families in South Dakota. Source - Wage labor; subsistence farming; livestock enterprise. Women supplement family income by working at garment factory in Flandreau.

LOWER BRULE RESERVATION,
SOUTH DAKOTATHE
RESERVATION

LOCATION: The Lower Brule Reservation is in the central portion of South Dakota, in Lyman and Stanley Counties. It is separated from the Crow Creek Reservation by the Missouri River which flows between Pierre to the northwest and Chamberlain to the southeast. The Lower Brule Reservation lies to the south of the river.

Principal settlements - Principal Indian settlement is Lower Brule (1960 pop. 150). Other, smaller settlement, LaRoche.

Nearest off-reservation towns in South Dakota (1960 pop.) - Chamberlain (pop. 2,598), and Pierre (pop. 10,088), 26 and 50 miles from Lower Brule, respectively.

BIA Field Office - Pierre Agency, Pierre, South Dakota

LAND: Almost 133,000 acres. Some farm and woodland, but mostly open grazing land. Over one-half of the farm land and one-third of the grazing land in operation are leased to non-Indian operators.

* * * * *

TRIBE: Sioux

POPULATION: 650 estimated in PHS service area in 1965
926 enrolled Tribal members in 1965

CHARACTERISTICS: **Blood quantum** - 36% fully Indian in 1950; 71% one-half or more Indian. (No more recent data)

Homes - Typical dwelling a 3-room frame house. 5.2 persons per dwelling unit (median). 1.7 persons per room (median).

Education - 94% of persons aged 6 and older read and speak English (1950). About 90% of children aged 6-18 at Pierre Agency including Crow Creek attended school in 1957. Majority were at BIA schools, but one out of four attended Mission or other schools.

Livelihood - Although Indians here and at Crow Creek have somewhat better employment opportunities than other Indians in the Dakotas, median income is about one-half that for all rural farm families in South Dakota. Source - Labor, farming, cattle raising.

THE
RESERVATIONPINE RIDGE RESERVATION,
SOUTH DAKOTA

LOCATION: The Pine Ridge Reservation adjoins the Rosebud Reservation on the east. It is in southwest South Dakota, principally in Bennett, Shannon, and Washabaugh Counties.

Principal settlements (1960 pop.) - There are 20 to 30 Indian communities on this reservation. The best known are Denby; Kyle (pop. 350); Manderson (pop. 55); Oglala (pop. 200); Pine Ridge (pop. 1,256); Wanblee (pop. 900); and Wounded Knee. The main trade center is Martin (pop. 1,184) in Bennett County.

Nearest off-reservation towns - (1960 pop.) - Hot Springs, South Dakota (pop. 4,943), 63 miles northeast of Pine Ridge; Rapid City, South Dakota (pop. 42,399), 136 miles northeast of Pine Ridge; Gordon, Nebraska (pop. 2,223), 36 miles away; Rushville, Nebraska (pop. 1,228) 26 miles.

BIA Field Office - Pine Ridge Agency, Pine Ridge, South Dakota.

LAND: Around 2,000,000 acres, of which the part in Bennett County is owned by individual Indian families. Mostly hilly, uncultivated grazing land. Some farming and timber tracts. More than half of the acreage is leased to non-Indians.

TRIBE: Sioux

POPULATION: 8,000 estimated in PHS service area in 1965
13,000 enrolled Tribal members in 1964

THE
PEOPLE

CHARACTERISTICS: **Blood quantum** - 51% fully Indian in 1950; 79% one-half or more Indian. (No more recent data.)

Homes - Typical dwelling a 1 or 2-room log or frame house. 4.7 persons per dwelling unit (median). 2.3 persons per room (median).

Education - 57% of persons 14 years of age and over finished grade school (1960). 4 out of 5 children aged 6-18 attended school in 1957, of whom about half were at BIA day and boarding schools.

Livelihood - Average family income low. Far less than one-half that of all rural farm families in South Dakota.

Source - Farming, livestock, and some seasonal wage work in agriculture.

ROSEBUD RESERVATION,
SOUTH DAKOTATHE
RESERVATION

LOCATION: The Rosebud Reservation adjoins the Pine Ridge Reservation on the west. It is located in south central South Dakota, mainly in Todd County with considerable trust land held in Mellette, Tripp, and Gregory Counties. Extends to the White River on the north, and to the Nebraska State line on the south.

Principal settlements (1960 pop.) - Indian trading centers at Parmalee (pop. 200); Rosebud (pop. 600); St. Francis (pop. 421); White River (pop. 583); Winner (pop. 3,705); and Wood (pop. 267).

Nearest off-reservation town - Valentine, Nebraska, (1960 pop. 2,875), 48 miles southeast of Rosebud Agency.

BIA Field Office - Rosebud Agency, Rosebud, South Dakota.

LAND: Around 1,095,000 acres of which 78,000 acres in Todd County are tribally owned; remainder are in individual Indian family ownership and are leased to non-Indian operators. Checkerboarded with non-Indian land holdings. The topography is hilly, mostly suited to grazing, but there is some farm land in Gregory and Tripp Counties, and some timber.

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TRIBE: Sioux

POPULATION: 4,900 estimated in PHS service area in 1965

8,183 enrolled tribal members in 1950
(No more recent data).

CHARACTERISTICS: **Blood quantum** - 50% fully Indian in 1950; 77% one-half or more Indian. (No more recent data.)

Homes - Typical dwelling a 1-2 room log or frame house. 4.7 persons per dwelling unit (median). 2 persons per room (median).

Education - 58% of persons 14 years of age and over finished grade school (1960). 92% of persons aged 6 and older read and speak English (1950). At Rosebud Agency (which includes Yankton Reservation) 80% of children attended school in 1957, majority in public school.

Livelihood - Average family income low. Far less than half that of all rural farm families in South Dakota.

Source - Some land leases; farming and livestock; seasonal agricultural and unskilled labor.

THE
PEOPLE

THE
RESERVATION

SOUTH DAKOTA and NORTH DAKOTA

LOCATION: The Sisseton Reservation lies principally in the northeast corner of South Dakota, in Marshall and Roberts Counties. A small part extends northward into North Dakota. The reserved land is a pie-shaped wedge, with the broad northern boundary reaching from Rutland, North Dakota, on the west, to White Rock, South Dakota, on the east. The southern apex is just above Watertown, South Dakota.

Principal settlements - No Indian settlements as such. Indian families constitute part of the population of villages such as Sisseton (1960 pop. 3,218) and smaller communities such as Enemy Swim, Peever, and Waubay within the limits of the reservation area.

Nearest off-reservation towns in South Dakota (1960 pop.) - Aberdeen (pop. 23,073) about 100 miles to the west of Sisseton; Watertown (pop. 14,077) 57 miles away.

BIA Field Office - Sisseton Agency, Sisseton, South Dakota.

LAND: Over 111,000 acres remain in individual ownership today out of about 310,000 acres allotted and reserved. Only 650 acres are held by the tribe as a whole. Land in Indian hands is divided into tracts of 160 acres or less. Checkerboarded with non-Indian holdings. Lies in the heart of South Dakota's lake region.

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TRIBE: Sisseton Sioux

THE
PEOPLE

POPULATION: 2,350 estimated in PHS service area in 1965
3,672 enrolled in Tribe in 1950 (No more recent data)

CHARACTERISTICS: **Blood quantum** - 28% fully Indian in 1956. 70% one-fourth or more Indian.

Homes - Typical dwelling a 2-room frame house. Other data not available.

Education - 65% of persons 14 years of age and over finished grade school (1960). 88% of the 865 children enumerated here attended school in 1957; about equally divided between public schools and BIA schools, with 145 at mission schools.

Livelihood - Average family income equal to the median for Indian families in South Dakota, but less than half that of all rural farm families in the State. Source - Seasonal agricultural and wage labor in towns; work on construction projects when available. Some hunting, trapping, and fishing. Small returns from lease of land.

YANKTON RESERVATION
SOUTH DAKOTATHE
RESERVATION

LOCATION: Yankton Reservation is in southeastern South Dakota in Charles Mix County. The reserved land lies in the area north of the Missouri River above and below Fort Randall Dam, and centers roughly at Lake Andes between Choteau Creek on the east and State Highway 50 to the west.

Principal settlements - Lake Andes (1960 pop. 1,097) and Wagner (1960 pop. 1,586) are largest towns on reservation; Greenwood (1960 pop. 300). Smaller

communities (Indian population of 200 or less) include Dante, Marty, and Ravinia. Paved highway bisects reservation from east to west. Most Indians are now located south of this highway.

Nearest off-reservation town - Yankton, South Dakota (1960 pop. 9,279) is the nearest major city, 55 miles from Wagner.

BIA Field Office - Rosebud Agency, Rosebud, South Dakota.

LAND: About 44,000 acres of which some 40,000 are in individual Indian hands; the remainder are held as tribal land. Checkerboarded by non-Indian holdings. Principally range and timber land; farm tracts. More than half the productive land is leased to non-Indians.

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TRIBE: Sioux

POPULATION: 1,600 estimated in PHS service area in 1965

2,873 enrolled Tribal members in 1958

CHARACTERISTICS: **Blood quantum** - not known.

Homes - Typical dwelling a 2-3 room frame house. 4.5 persons per dwelling unit in 1953 (median). 1.7 persons per room (median).

Education - 58% of persons 14 years of age and over finished grade school (1960). Almost all persons aged 6 and older speak English (1950). Most of the children now attend public school, but

THE
PEOPLE

some are enrolled at St. Paul's Indian Mission School at Marty.

Livelihood - Average family income above the median for reservation families in South Dakota, but two-thirds that for all rural farm families in the State. Source - Lease of land, agriculture and unskilled wage labor.

APPENDIX B

Bureau of Indian Affairs
Appropriations in South Dakota
By Program and Agency, 1968

Source: Department of Interior, Bureau of Indian Affairs,
Aberdeen Area Office.

Rosebud Agency

Appropriations and Activities

Amount

EDUCATION AND WELFARE SERVICES:

1. Educational assistance, facilities and services	334,826
2. Adult Education	12,735
3. Social Services	204,674
4. Housing Improvement	
5. Employment Assistance	39,508
6. Adult Vocational Training	
a. Administrative expenses	()
b. Program execution	()
7. Maintaining law and order	101,760
Total	693,503

RESOURCES MANAGEMENT:

1. Forestry	3,456
2. Range lands	49,973
3. Fire suppression	
4. Agricultural extension	
5. Credit operations	29,317
6. Reservation programs	13,260
7. Industrial development	
8. Tribal operations	
9. Housing development	20,035
10. Soil and moisture conservation	127,716
11. Maintenance of roads	50,000
12. Real property management	61,843
13. Land records improvement	
14. Real estate appraisal	
15. General trustee service	42,272
16. Repair and maintenance of bldgs. & utilities	114,345
Total	512,217

CONSTRUCTION:

1. Buildings and utilities
 2. Irrigation systems
 3. Land acquisition
- Total

ROAD CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION):

1. Road construction (Federal-Aid) 290,000

ADMINISTRATIVE SUPPORT (Area Office)

ADMINISTRATIVE SUPPORT (Agencies) 51,190

GRAND TOTAL 1,546,910

REVOLVING FUND FOR LOANS

- Safety Management (Included in activity programs) ()
- Plant Operations (Included in activity programs) (109,916)

Pine Ridge Agency

Appropriations and Activities

Amount

EDUCATION AND WELFARE SERVICES:

1. Educational assistance, facilities and services	1,630,221
2. Adult Education	409,670
3. Social Services	55,000
4. Housing Improvement	
5. Employment assistance	48,015
6. Adult Vocational Training	()
a. Administrative expenses	(48,015)
b. Program execution	166,500
7. Maintaining law and order	2,309,406
Total	

RESOURCES MANAGEMENT:

1. Forestry	3,126
2. Range lands	49,718
3. Fire suppression	
4. Agricultural extension	
5. Credit operations	37,816
6. Reservation programs	16,762
7. Industrial development	
8. Tribal operations	
9. Housing development	10,520
10. Soil and moisture conservation	103,395
11. Maintenance of roads	100,000
12. Real property management	87,698
13. Land records improvement	
14. Real estate appraisal	
15. General trustee service	26,042
16. Repair and maintenance of bldgs. & utilities	251,710
Total	686,787

CONSTRUCTION:

1. Buildings and utilities
 2. Irrigation systems
 3. Land acquisition
- Total

ROAD CONSTRUCTION (LIQUIDATION OF
CONTRACT AUTHORIZATION):

1. Road construction (Area Office)

ADMINISTRATIVE SUPPORT (Agencies) 62,640

GRAND TOTAL 3,448,833

REVOLVING FUND FOR LOANS

Safety Management (Included in activity programs)

Plant Operations (Included in activity programs) (299,157)

INDIAN POVERTY IN SOUTH DAKOTA

157

Pierre Agency
(Crow Creek and Lower Brule)

Appropriations and Activities	Amount
EDUCATION AND WELFARE SERVICES:	
1. Educational assistance, facilities and services	721,189
2. Adult Education	12,077
3. Social Services	214,231
4. Housing Improvement	10,700
5. Employment Assistance	19,840
6. Adult Vocational Training	
a. Administrative expenses	()
b. Program execution	()
7. Maintaining law and order	93,800
Total	<u>1,071,837</u>
RESOURCES MANAGEMENT:	
1. Forestry	746
2. Range lands	20,308
3. Fire suppression	
4. Agricultural extension	
5. Credit operations	16,947
6. Reservation programs	12,620
7. Industrial development	
8. Tribal operations	
9. Housing development	33,880
10. Soil and moisture conservation	30,230
11. Maintenance of roads	45,000
12. Real property management	23,855
13. Land records improvement	
14. Real estate appraisal	150
15. General trustee service	
16. Repair and maintenance of bldgs. & utilities	87,721
Total	<u>271,457</u>
CONSTRUCTION:	
1. Buildings and utilities	
2. Irrigation systems	
3. Land acquisition	
Total	
ROAD CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION):	
1. Road construction (Federal-Aid)	200,000
ADMINISTRATIVE SUPPORT (Area Office)	
ADMINISTRATIVE SUPPORT (Agencies)	<u>49,500</u>
GRAND TOTAL	<u><u>1,592,794</u></u>
REVOLVING FUND FOR LOANS	
Safety Management (Included in activity programs)	()
Plant Operations (Included in activity programs)	(149,840)

Cheyenne River Agency

Appropriations and Activities	Amount
EDUCATION AND WELFARE SERVICES:	
1. Educational assistance, facilities and services	907,276
2. Adult Education	11,814
3. Social Services	124,604
4. Housing Improvement	45,000
5. Employment Assistance	
6. Adult Vocational Training	21,374
a. Administrative expenses	()
b. Program execution	(21,374)
7. Maintaining law and order	13,580
Total	<u>1,123,648</u>
RESOURCES MANAGEMENT:	
1. Forestry	3,214
2. Range lands	49,909
3. Fire suppression	
4. Agricultural extension	
5. Credit operations	13,959
6. Reservation programs	14,160
7. Industrial development	
8. Tribal operations	
9. Housing development	14,960
10. Soil and moisture conservation	49,960
11. Maintenance of roads	60,000
12. Real property management	43,826
13. Land records improvement	
14. Real estate appraisal	
15. General trustee service	13,502
16. Repair and maintenance of bldgs. & utilities	148,475
Total	<u>401,526</u>
CONSTRUCTION:	
1. Buildings and utilities	
2. Irrigation systems	
3. Land acquisition	
Total	
ROAD CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION):	
1. Road construction (Federal-Aid)	325,000
ADMINISTRATIVE SUPPORT (Area Office)	
ADMINISTRATIVE SUPPORT (Agencies)	<u>57,500</u>
GRAND TOTAL	<u><u>1,907,674</u></u>
REVOLVING FUND FOR LOANS	
Safety Management (Included in activity programs)	()
Plant Operations (Included in activity programs)	(167,140)

INDIAN POVERTY IN SOUTH DAKOTA

159

Sisseton Agency

Appropriations and Activities	Amount
EDUCATION AND WELFARE SERVICES:	
1. Education assistance, facilities and services	107,394
2. Adult Education	14,489
3. Social Services	126,358
4. Housing Improvement	42,800
5. Employment Assistance	
6. Adult Vocational Training	22,516
a. Administrative expenses	()
b. Program execution	(22,516)
7. Maintaining law and order	13,750
Total	327,307
RESOURCES MANAGEMENT:	
1. Forestry	
2. Range lands	
3. Fire suppression	
4. Agricultural extension	
5. Credit operations	14,995
6. Reservation programs	
7. Industrial development	
8. Tribal operations	
9. Housing development	
10. Soil and moisture conservation	28,644
11. Maintenance of roads	22,000
12. Real property management	22,354
13. Land records improvement	
14. Real estate appraisal	
15. General trustee service	20,055
16. Repair and maintenance of bldgs. & utilities	108,048
Total	
CONSTRUCTION:	
1. Buildings and utilities	
2. Irrigation systems	
3. Land acquisition	
Total	
ROAD CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION):	
1. Road construction (Federal-Aid)	60,000
ADMINISTRATIVE SUPPORT (Area Office)	41,430
ADMINISTRATIVE SUPPORT (Agencies)	
GRAND TOTAL	536,785
REVOLVING FUND FOR LOANS	
Safety Management (Included in activity programs)	()
Plant Operations (Included in activity programs)	(18,343)

APPENDIX C

Office of Economic Opportunity
Appropriations in South Dakota
By Reservation and Component, 1968

Source: Indian Community Action Project, University of South
Dakota.

INDIAN POVERTY IN SOUTH DAKOTA

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ROSEBUD RESERVATION

COMPONENT	AMOUNT FUNDED	FEDERAL SHARE	NON-FEDERAL SHARE
Nelson Amendment ...	\$137,154	\$134,977	\$ 2,177
Administration	108,785	101,285	7,500
Adult Education	60,380	55,772	4,608
Study Centers	40,750	36,910	3,840
Education Workers ...	31,790	31,790	0
Legal Aid	65,173	62,743	2,430
Credit Union	29,580	28,580	1,000
Community Dev.	105,904	99,904	6,000
Totals	\$579,516	\$551,961	\$ 27,555

PINE RIDGE RESERVATION

COMPONENT	AMOUNT FUNDED	FEDERAL SHARE	NON-FEDERAL SHARE
Head Start	297,821	278,075	19,746
Home Management ...	53,512	52,365	1,174
Administration	99,597	93,371	6,226
Home Improvement Program	102,578	102,578	0
Community Dev.	62,482	60,860	1,622
Ranger Corp	112,789	109,505	3,284
Community Health Aides	117,268	112,982	0
Vista	110,000	110,000	4,286
Totals	956,047	919,736	36,338

CROW CREEK AND LOWER BRULE RESERVATIONS

COMPONENT	AMOUNT FUNDED	FEDERAL SHARE	NON-FEDERAL SHARE
Administration	\$ 65,180	\$ 61,804	\$ 3,376
Home Making	66,300	59,080	7,220
Legal Aid	28,581	27,693	888
Home Repair	68,199	50,567	17,632
Mutual-Help Housing	70,060	70,060	0
Totals	\$295,320	\$269,204	\$ 29,116

CHEYENNE RIVER RESERVATION

COMPONENT	AMOUNT FUNDED	FEDERAL SHARE	NON-FEDERAL SHARE
Home Management ...	\$ 76,753	\$ 66,133	\$ 10,620
Administration	50,515	42,371	8,144
Small Business *	19,370	17,500	1,870
Physical Education ...	(Not Funded)	0	0
Legal Serv. Center	47,078	42,168	4,920
Nelson Amendment ...	152,884	137,800	15,084
Health Education, Sanitation to the Aged	114,140	110,000	4,140
Adult Education & Voc. Training	112,550	99,749	12,801
Totals	\$573,270	\$515,711	\$ 57,559

* This has been changed to Credit Union and Consumer Services.

APPENDIX D
South Dakota Department
of Public Welfare Expenditures
for Indians by Reservation
and County, October,
1967

Source: South Dakota Department of Public Welfare.

**TOTAL NUMBER OF RECIPIENTS AND AMOUNTS
BY PROGRAM AND INDIAN RESERVATION
OCTOBER 1967**

Reservation and County	Received	OAA Amount	Received	AB Amount	Received	AD Amount	Cases	ADC Amount
Cheyenne River		\$		\$		\$		\$
Dewey	26	1,745.00	—	—	4	126.00	77	10,412.00
Ziebach	23	1,354.00	1	90.00	5	264.00	62	7,319.99
Total	49	\$ 3,099.00	1	\$ 90.00	9	\$ 390.00	139	\$17,731.00
Rosebud								
Todd	44	\$ 2,575.00	4	\$313.00	23	\$1,340.00	172	\$22,066.00
Charles Mix ..	37	2,279.50	3	165.00	18	1,276.00	74	10,189.00
Mellette	26	1,878.00	4	378.00	6	473.00	58	8,053.00
Total	107	\$ 6,732.50	11	\$856.00	47	\$3,089.00	304	\$40,308.00
Pine Ridge								
Shannon	147	\$ 9,220.50	2	\$145.00	33	\$1,802.50	287	\$40,975.00
Washabaugh ..	17	976.00	—	—	8	342.00	50	6,460.00
Subtotal	164	10,196.50	2	145.00	41	2,144.50	337	47,435.00
Bennett	15	1,198.00	—	—	9	582.00	60	9,550.00
Total	179	\$11,394.50	2	\$145.00	50	\$2,726.50	397	\$56,985.00
Standing Rock								
Corson	35	\$ 1,918.00	2	\$138.00	13	\$ 613.00	127	\$17,362.00
Total	35	\$ 1,918.00	2	\$138.00	13	\$ 613.00	127	\$17,362.00
Sisseton								
Roberts	56	\$ 3,922.50	7	\$443.00	19	\$1,531.00	157	\$26,776.00
Marshall	4	295.00	1	79.00	2	169.99	2	149.00
Day	5	416.00	1	80.00	6	460.00	21	3,025.00
Total	65	\$ 4,633.50	9	\$602.00	27	\$2,160.00	180	\$29,950.00
Crow Creek								
Lower Brule								
Buffalo	31	\$ 2,134.00	2	\$105.00	2	\$ 147.00	64	\$ 7,526.00
Hyde	3	194.00	—	—	—	—	2	265.00
Lyman	8	517.00	—	—	2	148.00	31	4,676.00
Total	42	\$ 2,845.00	2	\$105.00	4	\$ 295.00	97	\$12,647.00

APPENDIX E
 South Dakota Department of Public
 Welfare Expenditures for Indians
 by County and Program, October, 1967

Source: South Dakota Department of Public Welfare.

**RECIPIENTS AND AMOUNTS BY PROGRAM
OCTOBER 1967**

County	Cases	<u>Indian Recipients</u>			% of Total	<u>Total Recipients</u>		
		Recip.	Amount			Cases	Recip.	Amount
AID TO DEPENDENT CHILDREN								
Bennett	60	237	\$ 9,550.00	94.2	64	247	\$ 10,142.00	
Buffalo	64	204	7,526.00	98.1	65	206	7,671.00	
Dewey	77	283	10,412.00	96.8	78	296	10,755.00	
Hyde	2	7	265.00	17.5	10	34	1,514.00	
Lyman	31	118	4,676.00	77.7	41	154	6,015.00	
Ziebach	62	196	7,319.00	99.7	62	196	7,344.00	
Shannon ...	287	1,103	40,975.00	97.9	292	1,110	41,844.00	
Todd	172	604	22,066.00	96.2	180	644	22,946.00	
Washabaugh .	50	160	6,460.00	100.0	50	160	6,460.00	
Total	805	2,912	\$109,249.00	95.3	842	3,047	\$114,691.00	

STATE PUBLIC ASSISTANCE
RECIPIENTS AND AMOUNTS BY PROGRAM
OCTOBER 1967

County	Number	Amount	% of Total	Number	Amount
OLD AGE ASSISTANCE					
Bennett	15	\$ 1,198.00	41.0	39	\$ 2,922.00
Buffalo	31	2,134.00	100.0	31	2,134.00
Dewey	26	1,745.00	48.5	54	3,600.00
Hyde	3	194.00	15.5	19	1,250.00
Lyman	8	517.00	31.4	30	1,644.00
Ziebach	23	1,354.00	75.3	28	1,799.00
Shannon ..	147	9,220.50	93.1	151	9,902.50
Todd	44	2,575.00	82.1	56	3,137.00
Washabaugh .	17	976.00	100.0	17	976.00
Total	314	\$ 19,913.50	72.8	425	\$ 27,364.50
AID TO THE BLIND					
Bennett	—	\$ —	0.0	1	\$ 297.00
Buffalo	2	105.00	50.2	3	209.00
Dewey	—	—	0.0	1	162.00
Hyde	—	—	—	—	—
Lyman	—	—	—	—	—
Ziebach	1	90.00	100.0	1	90.00
Shannon ...	2	145.00	100.0	2	145.00
Todd	4	313.00	100.0	4	313.00
Washabaugh .	—	—	—	—	—
Total	9	\$ 653.00	53.7	12	\$ 1,216.00
AID TO THE DISABLED					
Bennett	9	\$ 582.00	100.0	9	\$ 582.00
Buffalo	2	147.00	100.0	2	147.00
Dewey	4	126.00	30.0	10	420.00
Hyde	—	—	—	—	—
Lyman	2	148.00	55.0	4	269.00
Ziebach	5	264.00	87.4	6	302.00
Shannon ...	33	1,802.00	92.8	36	1,942.50
Todd	23	1,340.00	97.5	26	1,375.00
Washabaugh .	8	342.00	74.8	10	457.00
Total	86	\$ 4,751.00	86.5	103	\$ 5,494.50

SOURCE: Department of Public Welfare, State of South Dakota.

APPENDIX F
South Dakota Department
of Public Welfare Expenditures
For Child Welfare to Indians
October, 1967

Source: South Dakota Department of Welfare.

**SOUTH DAKOTA
CHILD WELFARE PAYMENTS FOR INDIAN CHILDREN
OCTOBER 1967**

Foster Care	Total	Non-White	Percent
Children receiving board			
Total	964	531	55.1
Paid by the State	683	303	44.4
Paid by BIA	203	203	100.0
Paid from other funds ..	78	25	32.1
Days Care			
Total	27,446	15,804	57.6
Paid by the State	19,517	8,758	44.9
Paid by BIA	6,180	6,180	100.0
Paid by other funds	1,749	866	49.5
Amount a/			
Total	\$ 63,981.43	\$ 30,244.65	47.3
Paid by the State	42,229.23	15,665.64	37.1
Paid by the BIA	12,999.63	12,999.63	100.0
Paid from other funds ..	8,752.57	1,579.38	18.0
Unmarried Mothers			
Number	47	1	2.1
Amount	\$ 9,104.71	\$ 741.61	8.1

**Comparison of Percentages
1958 - 1967**

Year	Percent of Indian Children Receiving Boarding				Percent of Indians Receiving UM Care			
	Total Funds		Care Paid From State Funds		Child Care Funds		UM's Payments	
	Children	Payments	Children	Payments	Children	Payments	UM's	Payments
1958	NR	45.6	NR	31.1	NR	17.6	NR	NR
1959	50.2	49.1	34.9	31.6	66.7	47.8	11.1	14.3
1960	50.2	45.9	36.7	30.8	26.1	30.9	0	0
1961	44.7	42.7	28.5	34.1	13.1	12.6	3.0	2.4
1962	53.7	48.3	37.2	42.7	71.4	19.1	15.0	13.1
1963	58.7	52.9	46.6	38.4	43.1	16.0	3.3	2.4
1964	63.3	45.7	48.2	40.0	34.4	16.0	3.3	1.6
1965	57.5	45.7	41.9	32.4	41.9	16.0	2.8	1.0
1966	55.0	50.8	43.7	36.8	37.0	43.2	0	0
1967	55.1	47.3	44.4	37.1	32.1	18.0	2.1	8.1

a/ Does not include expenditures for medical care.

APPENDIX G

INDIAN WELFARE RECIPIENTS
IN SOUTH DAKOTA, 1960

Source: Department of Public Welfare, State of South Dakota.

INDIAN WELFARE RECIPIENTS IN SOUTH DAKOTA

Population (1960)	Total	Non-White*	Per Cent
Total	680,514	27,416	4.0
Under 18 years	262,163	13,748	5.2
18 - 64 years	346,838	12,216	3.5
65 years or over	71,513	1,452	2.0
Old Age Assistance			
Number of recipients	7,221	512	7.1
Amount, money payments ...	\$499,382.00	\$25,090.50	5.0
Average per recipient	\$ 69.16	\$ 49.00	
Recipients per 1,000 aged ...	101	353	
Aid to the Blind			
Number of recipients	123	35	28.5
Amount, money payments ...	\$ 8,471.00	\$ 1,776.50	21.0
Average per recipient	\$ 68.87	\$ 50.76	
Recipients per 100,000			
Persons 18 - 64	35	287	
Aid to Dependent Children			
Number of recipients	10,416	4,792	46.0
Adults	2,542	1,108	43.6
Children	7,874	3,684	46.8
Number of families	2,788	1,329	47.7
Amount, money payments ...	\$331,227.00	*143,199.00	43.2
Average per recipient	\$ 31.80	\$ 29.86	
Children per 1,000 under 18 .	30	268	
Aid to the Disabled			
Number of recipients	1,086	168	15.5
Amount, money payments ...	\$ 75,304.00	\$ 8,915.50	11.8
Average per recipient	\$ 69.34	\$ 53.07	
Recipients per 1,000			
Persons 18 - 64	31	14	

* Non-white population in South Dakota is 94.1% Indian.

APPENDIX H
Expenditures by Federal
State, Local, Tribal and Private
Agencies on Pine Ridge Reservation, 1967

Source: Marshall Kaplan, Gans, and Kahn; Research Associates, San Francisco, California.

FEDERAL GOVERNMENT PROGRAMS**DEPARTMENT OF AGRICULTURE EXPENDITURES****AGRICULTURAL STABILIZATION AND****CONSERVATION SERVICE:**

Administration	22,100
Commodity Credit Corporation	275,030
Conservation	32,570
Production Adjustment	353,250

DEPARTMENT OF COMMERCE

ECONOMIC DEVELOPMENT ADMINISTRATION	43,000
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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE**OFFICE OF EDUCATION, BUREAU OF ELEMENTARY****AND SECONDARY:**

Curriculum Enrichment and Reduction in Class Size (BIA Schools)	27,698
Kindergarten (BIA Schools)	157,000
Teacher, Health, Attendance Aides (BIA Schools)	62,000
Textbook Acquisition	6,740
Title III Program (BIA Schools)	NA
ESEA Projects Administration (Shannon County)	170,000
Cultural Development (Shannon County)	170,000
Developmental Reading (Shannon County)	170,000
Library Project	170,000
Special Education	170,000

FEDERALLY AFFECTED AREAS:

Impacted Areas	164,489
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PUBLIC HEALTH SERVICE, DIVISION OF INDIAN HEALTH:

Community Mental Health	150,000
Contract Medical Care	195,100
Field Health	125,000
Hospital	729,510
Sanatorium	370,000
Sanitation Facilities Corporation	75,000

SOCIAL SECURITY ADMINISTRATION:

Payments	308,000
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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**HOUSING ASSISTANCE ADMINISTRATION:**

Felix Cohen Memorial Home	SS
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Middle Income Housing	825,000
Oglala Sioux Housing Authority	NA
Turnkey Low-Rent Housing	825,000

DEPARTMENT OF THE INTERIOR**BUREAU OF INDIAN AFFAIRS:**

Pine Ridge Agency Administration	3,682,835
Branch of Employment Assistance	48,238
Branch of Housing Development	10,687
Home Improvement	55,000
Mutual Help Housing	550,000
Branch of Land Operations	3,000
Forestry and Fire Suppression	3,000
Outdoor Recreation	None
Soil Conservation, Agricultural Engineering and Soil Science	113,000
Range Management	51,242
Branch of Law and Order	204,843
Branch of Plant Management:	
Plant Operation	313,090
Repair and Maintenance	251,710
Branch of Real Property Management	207,000
Branch of Reservation Programs	14,000
Branch of Social Services:	
Social Services	68,079
Aid to Blind and Deaf	None
Child Welfare	120,801
Commodity Food Surplus	328,733
General Assistance	243,000
Group Care Contract	10,000
Individual Monies Account	None
Institutional Care Contract	None
Miscellaneous Welfare Services	3,500
Temporary Child Protection	None
Division of Education:	
Allen Day School	110,289
Little Wounded Day School	179,689
Loneman Day School	168,367
Manderson Day School	126,118
Oglala Community School	955,706
Porcupine Day School	126,105
Wanblee Day School	128,923

INDIAN POVERTY IN SOUTH DAKOTA

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Haskell and Flandreau Summer Programs	1,370
Higher Education Grants	61,630
Summer Program	41,000
Division of Roads	532,816
Branch of Credit	90,000
GEOLOGICAL SURVEY:	
Pine Ridge Project	35,000

DEPARTMENT OF LABOR

BUREAU OF APPRENTICESHIP AND TRAINING:	
Manpower Development and Training	89,925
BUREAU OF WORK PROGRAMS:	
Neighborhood Youth Corps	246,120

OFFICE OF ECONOMIC OPPORTUNITY

OFFICE OF ECONOMIC DEVELOPMENT:	
Central Office Administration	99,597
Community Development	62,482
Community Health Aides	117,268
Head Start	297,821
Head Start Model School	
Home Improvement	102,575
Oglala Sioux Ranger Corps (Conservation)	112,789
Oglala Sioux Ranger Corps (Arts and Crafts)	
Home Management	53,542
UPWARD BOUND	NA
VISTA	110,000

SMALL BUSINESS ADMINISTRATION

LOAN PROGRAMS:	
Business Loans	41,500
Small Loan and Economic Opportunity Loan Program	16,000
State and Local Development Loans	73,000

VETERANS ADMINISTRATION

Payments	343,000
Sub Total	\$16,201,476

STATE AND LOCAL GOVERNMENT PROGRAMS

STATE OF SOUTH DAKOTA

CHADRON STATE COLLEGE, SUMMER WORK	NAp
COMMISSION OF INDIAN AFFAIRS	4,000
DEPARTMENT OF EMPLOYMENT SECURITY	136,242
DEPARTMENT OF HEALTH	2,000

DEPARTMENT OF HIGHWAYS:

District No. 4	164,871
District No. 5-B	166,626

**DEPARTMENT OF PUBLIC INSTRUCTION,
DIVISION OF VOCATIONAL EDUCATION:**

Employment Education	66,757
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DEPARTMENT OF PUBLIC WELFARE:

Bennett, Washabaugh and Jackson Counties	213,540
Shannon County	599,325

DIVISION OF VOCATIONAL REHABILITATION

SERVICES TO BLIND AND VISUALLY HANDICAPPED . None

STATE EXTENSION SERVICE

UNIVERSITY INSTITUTE OF INDIAN STUDIES

UNIVERSITY MOBILE SPEECH AND
HEARING CLINIC

COUNTIES

Bennett County Public School Districts	53,229
Shannon County:	
Independent School District No. 1	379,000
Mobile Book Unit	7,000
Washabaugh County Public School District	5,664
Sub Total	\$1,904,078

TRIBAL PROGRAMS**ADMINISTRATION**

General Administration	184,742
Assessment Account	15,603

GOVERNMENT

District Councils	None
District Planning Commissions	None
Sub-Community Councils	None
Pine Ridge Town Council	None
Pine Ridge Utilities Commission	24,000
Community Utilities Commissions (Excluding Pine Ridge)	NA

LAND

Soil Conservation Service	13,848
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LEGAL

Tribal Court	33,217
Municipal Center Operation	38,843

INDIAN POVERTY IN SOUTH DAKOTA

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Honor Farm 15,243

SERVICES

Billy Mills Hall 1,000
Surplus Commodity Program 26,733
Sun Dance 5,000
Sub Total \$ 358,229

PRIVATE SOCIAL SERVICE PROGRAMS

COMMUNITY

American Legion Post No. 251 NA
American Legion Post No. 365 NA
Boy and Girl Scouts of America 500
Crazy Horse Club No. 1 None
4-H Youth Development Program 1,000
Pine Ridge Community Swimming Pool Ass'n. NA
Pine Ridge J.C.'s NA
Pine Ridge Lions 1,200
Pine Ridge Reservation Parent-Teacher Ass'n. NA
Pine Ridge Teen Klub 8,000
Sioux Club NA
Veterans of Foreign Wars Post No. 6597 NA

EDUCATION

Episcopal Mission Schools
Pine Ridge Educational Society:
Holy Rosary Mission School 225,000
Our Lady of Lourdes Grade School (Porcupine) 53,500

LAND

Oglala Sioux Stockgrowers and
Landowners Association NA
Pine Ridge Reservation Development Company NA
Rural Electric Association NA

RELIGIOUS

Christian Children's Fund 36,000
Episcopal Supply Program 40,000
Episcopal Used Clothing Sales NA
Faith Mission, Pine Ridge and Kyle NA
Lutheran Social Services NA

INDIAN POVERTY IN SOUTH DAKOTA

Ministerial Association	NA
Mutual Improvement Association	NA
Presbyterian Church Recreation, Pine Ridge	NA
Seventh Day Adventist School	NA
Sub Total	365,200

Total \$18,828,983

Appendix I

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INDIAN POVERTY IN SOUTH DAKOTA

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